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INTER-AMERICAN AFFAIRS

OLADE PROPOSES DEVELOPING COUNTRIES AGREEMENT

PA060135 Paris AFP in Spanish 2222 GMT 4 Apr 86

[Article by Rafael Urrejola]

[Excerpt] Quito, 4 Apr (AFP)--OLADE, which is headquartered in Quito, today proposed an agreement on production levels, prices, and supplies among all the developing oil exporting countries, members and non-members of the OPEC, which represent 80 percent of the petroleum market, as a first step to achieve "a benchmark price close to \$20 a barrel."

OLADE said that in view of the refusal by some exporters to cooperate in the stabilization of the prices and while each country thinks it can improve its position by solely defending its own interests, "the prices might even drop down to the levels of the early 1970's." The price of a barrel of Arab light crude in 1973 was \$7.80 in 1986 dollars.

OLADE Executive Secretary Marcio Nunez said that a summit of chiefs of state of the developing exporting countries would eliminate the obstacles to the adoption of decisions such as on the distribution of the market.

The agreement would include the participation of the developing countries that are OPEC members--which represent less than 50 percent of the market--and those that are not OPEC members--Mexico, Egypt, Oman, and others--which would make "feasible the establishment of the foundations for a new order for the development of the international petroleum sector."

If such an agreement were achieved, a second and necessary phase would be needed to "reach an agreement with the petroleum importing countries for supply guarantees and payment conditions," the OLADE proposal states.

The proposal added that such guarantees could ensure that the developing petroleum exporting countries "would absorb the growth of the market in the medium term" and the importing nations "would be able to reduce their investments in oil prospecting and production."

With such an agreement, "the price of the barrel of petroleum could be stabilized until 1990, and from then on it could be increased in terms of the loss of the purchasing power of a basket of foreign currencies to be decided."

In such a way, and "contrary to what is now foreseen, there could be an increase in the international commerce of petroleum and its derivatives that would lead to a volume of approximately 31 and 36 million barrels a day in 1990 and 2000, respectively," the Latin American organization added.

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CSO: 3348/497

INTER-AMERICAN AFFAIRS

BRIEFS

MSGR CORDERO TRANSFERRED TO URUGUAY--Msgr Andrea Cordero Lanza di Montezemolo, papal nuncio for Nicaragua and Honduras, last night confirmed--via telephone--to BARRICADA, his impending transfer to Uruguay. From a hotel in Tegucigalpa, where he is staying, the papal nuncio said "this has been under preparation for some time." The Vatican diplomat, born in Turin, Italy in 1925, and who arrived in Managua in 1980 added, "I have become fond of Nicaragua and Honduras." He added that he did not know the exact date of his transfer to Uruguay, but "will soon return to say goodbye to officials and friends," in Nicaragua. Msgr Cordero Lanza stated that he had informed the Nicaraguan Foreign Ministry of his upcoming transfer. He said that he had spent a lot of time in the area by diplomatic standards. On other topics, he denied the forthcoming visit to Central America of Cardinal Etchegaray, who presumably was to be sent by Pope John Paul II to find out about the state of the church in Central America, as per some international information agencies. "It is totally false. I deny this totally. I know nothing of the arrival of a Vatican envoy," added Msgr Cordero, obviously annoyed, who immediately said thank you for BARRICADA's call, and hung up. [Text] [Managua BARRICADA in Spanish 2 Apr 86 p 1 PA]/12766

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ANTIGUA AND BARBUDA

DEPUTY PRIME MINISTER COMMENTS ON VISIT TO U.S.

St Johns HERALD in English 21 Mar 86 p 3

[Article by Deputy P.M. Lester Bird]

[Text] **This is my first press conference in 1986 and I want to take this opportunity to advise you that it is my intention to reinstate the regularity of occasions on which I meet the press.**

You will recall that in years past, I met the press on a fairly regular basis to discuss events and developments in Antigua and Barbuda and abroad. I considered those meetings to be useful as an opportunity to advise the people of this country, through you, of the perspective of my Ministry on those events and developments. I also found your questions useful as a measure of the issues about which the nation as a whole was concerned.

I am resolved that we should meet with greater frequency in 1986, both formally and informally.

As you are aware I have just returned from a five day visit to Washington. This was the first time for the year that I had left the country.

The purpose of my visit was three-fold -

(A) To sensitise influential senators and congressmen in the United States to the development needs and priorities of Antigua and Barbuda.

(B) To encourage support for a better programme of official development assistance for Antigua and Barbuda from the U.S. administration, and

(C) To talk at a direct level with decision-makers in Washington about Antigua and Barbuda's perspective of regional and international issues.

I don't wish to place too optimistic a measurement on the success of my mission, but if I am to judge by the willingness with which people received my delegation and the frank and friendly atmosphere in which our discussions were conducted, I would say that I am greatly encouraged by the outcome of the visit.

I was accompanied by Minister without portfolio, Hugh Marshall and Ambassador Ed-

mund Lake. In the space of four working days, we conducted twenty meetings with three senators, nine congressmen and eight top officials of the U.S. Administration.

Among the senators we saw were Senate Majority Leader, Robert Dole, and Paul Laxalt of the committee on appropriations.

Our discussions ranged from economic matters to political and security concerns. We pointed out the U.S. side that in 1986, we have produced a budget which is almost balanced. We are projecting a deficit of only just over six hundred thousand dollars and we have introduced measures to increase revenue and to curtail spending.

However, we were adamant in our view that we will not be pressured by anyone to dismiss existing employees in the public sector. We stressed that if, despite the adverse effects upon our economy by external economic factors, we can, produce an almost balanced budget in 1986,

we have no need to dismiss workers in the public sector.

We also drew attention to the fact that throughout the last eight years, we have experienced annual real growth in the eco-

nomy, whereas in both developing and developed countries, there has been recession and a retardation of growth.

The rising tourism figures as well as increasing tourism spending in the economy have constituted the engine of this growth, but apart from the 1983-84 period of drought, agricultural production had increased and in 1985 we witnessed a significant expansion in production with small farmers earning almost a million dollars in sales of produce. Construction has also benefitted from expansion of the tourist industry. In this regard, we underscored the point that, it is obvious that the Antigua and Barbuda economy has been satisfactorily managed.

We complained about the level of official development assistance which we are receiving from the United States and we were particularly critical of the procedures for the delivery of such assistance. We explained that some procedures were unnecessarily complex and therefore hurtful rather than helpful. We emphasised that we will be unable to make effec-

tive use of the opportunities for accessing the U.S. market with exports

under the Caribbean Basin Initiative unless we were provided with real assistance to build-up infrastructure such as factory shells, roads, telephone and electricity expansion necessary for attracting new private sector investment.

We were given a good audience by politicians and officials alike. It became obvious both to us and them that not sufficient accurate information was flowing between Washington and the Caribbean. I was particularly encouraged by the decision of Mr. Peter McPherson, the Director of US AID, to send a team to Antigua within a few weeks to fully appreciate developments in the economy and to follow this up with another meeting in Washington between him and me. It is clear to me that an ongoing dialogue on the economy is necessary to the process of better communication and improved delivery of assistance.

At the political level, I am convinced that the entire visit was worthwhile simply because we were able to sensitise important and influential Senators and Congressmen to some of the real problems being experienced with the delivery of U.S.

assistance. These senators and congressmen are now able to monitor the process for themselves and can ensure that decisions which they take at the political level are implemented at the technical and official levels, I should say, however, that we received as sympathetic a hearing from the officials as we did from the politicians and if the interest of their audience is an indication of their readiness to help, then I believe the possibility of better and improved delivery of assistance has been considerably enhanced.

Let me, in conclusion, state that we did not go to Washington with numbers, we did not produce a shopping list of aid projects. We went to loosen the knots and iron out the wrinkles which appear to have developed in the process of aid assessment and delivery. We have succeeded in beginning that process and after the U.S.A.I.D. team visits here in a few weeks, we intend to advance to the next step which is to negotiate an aid programme over a five year period tied to our development needs and priorities.

Thank you ladies and gentlemen. I will now answer questions.

ARGENTINA

UBALDINI DENOUNCES PRIVATIZATION PLAN FOR STEEL

PY040219 Buenos Aires BUENOS AIRES HERALD in English 3 Apr 86 p 11

[Text] (NA-DYN)--With the soon-to-be privatized SOMISA steel mill only a few kilometers away, General Confederation of Labour [CGT] secretary-general Saul Ubal dini denounced the government's privatization plans before some 10,000 people yesterday.

In an emotional speech, Ubal dini said that "we have known the deceit that denationalization represents" for industries that could be "the development of our country."

He recalled his days at the "glorious" Lisandro de la Torre meat-packing plant and said: "We fought then for our jobs, but they privatized it and today it is a pile of rubble, thanks to those who handed over our national patrimony."

SOMISA, Argentine Iron and Steel Joint Association, with 10,000 employees, was named by Minister of Economy Juan Sourrouille as one of three state-owned plants to be completely sold off to the private sector in a January speech.

Yesterday, workers started an eight-hour strike and marched the 12 kilometers from the plant to the downtown rally at noon, chanting anti-government slogans.

Ubal dini warned "those dark minds" that are planning privatizations that "the workers' movement will continue fighting on every front without fear of slander or lies." He repeated that the government "does not want confrontation" but that "we will never negotiate our dignity."

He resurrected the idea of the CGT's National Unity Congress by saying the rally was the start of the congress' "second phase." The CGT made plans for the congress shortly after the 24 January general strike, although it has been all but forgotten since then.

"No worker in Argentina will be left without the CGT's backing, whatever he thinks and however he acts," said Ubal dini, to which the crowd began chanting: "He who does not jump is a Radical." Ubal dini gave a few hops.

"To those who get offended by any little thing, we say that they are the same people who insult us, who offend us because they do not give us solutions," said Ubaldini, apparently referring to Minister of Labor Hugo Barrionuevo's statement that the government would not invite the CGT to new talks because of Ubaldini's "insults" against members of government at last week's CGT rally in Buenos Aires.

Barrionuevo met with President Raul Alfonsin yesterday to relay the CGT's "concern" over Sourrouille's imminent wage and price announcements, said official spokesmen. Barrionuevo reportedly believes the announcements could hurt the government's efforts to bring the CGT back to wage talks.

Government sources said yesterday that Sourrouille will announce that wages will be adjusted every four months by means of "restricted" collective wage bargaining talks and with a maximum increase of nine percent while electric bills will be adjusted monthly.

In other labor news, Cordoba CGT secretary-general Miguel Angel Correa said that the planned 36-hour national strike "would be revolutionary, take it or leave it." The railroad workers union seemed to take a different view, saying in a statement that the CGT's "next and immediate step" should be to hold the National Unity Congress.

The court clerks union said on the second day of their 48-hour strike that 85 percent of clerks had respected the strike and said the stoppage should "call both the government and the Supreme Court to serious reflection."

Police dispersed some 700 workers, many of whom had been fired, who had gathered in front of the Bagley and Terrabusi biscuit factories in the Constitucion neighborhood yesterday and Tuesday. The companies began firings on Monday when the labor ministry declared the illegality of the workers' two-hour stoppages by shift.

Teachers throughout Santa Fe Province will go on strike today at all levels to demand a 25-percent salary increase "without any kind of discrimination," said union spokesmen.

The bus drivers union will meet today to decide whether to strike for 24 or 36 hours next week.

The Center for Labor Studies issued a report saying that the number of underemployed now reaches 1,240,000 and that the ranks of both categories combined have gone up 34 percent since October 1983. The center came up with its figures on the basis of official statistics.

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BARBADOS

PRIME MINISTER ST JOHN REVIEWS FIRST YEAR IN OFFICE

Bridgetown SUNDAY SUN in English 23 Mar 86 pp 6, 16

[Interview with Prime Minister Bernard St John by SUNDAY SUN editor Tony Vanterpool; time and place not specified]

[Text]

Q: Mr. Prime Minister, a few days ago you completed one year in office. What do you regard as the high point of that year?

A: I regard the whole year as a high point. The Government has demonstrated very clearly that programmes and the targets that the Labour Party had set itself are being achieved and particularly in the last three months, I am very happy to see that we have been able to get our capital development programme in full stream.

As you know, the capital development programme of Barbados is designed to restructure the various sectors of the economy. The physical infrastructure in the form of the road system; the upgrading of the airport; the development of the tourist industry, particularly the creation of opportunities for shopping, to take advantage of the efforts that, over the last three years, we have made to make Barbados an originating point for cruise ships; the agricultural restructuring; the sensible reordering of some of our land use to take into account that we will produce crops that are remunerative in the export market and the development of the beef cattle industry.

These are major programmes that relate to the restructuring of the economy of Barbados. And we have got that done.

Secondly, I think that another high point is that the people are indicating more and more every day that they feel safe with the Government. People are satisfied and they feel safe that the Government knows what it is doing and is getting about the task of doing what it has to do to carry Barbados forward.

Q: There are those who claim that a lot of your capital works programmes had been timed for election year, which is this year. Your detractors are claiming that this sudden splurge to employ people is all a political gimmick. What is your response to that?

A: Those people who say that obviously don't read and they do not observe the documents that are published regularly with a view to informing the public as to the platform and programmes of the Government. The Development Plan 1983 - 88 sets out in great detail the programme of the Government. The financing of these programmes is to a large extent dependent upon international lending and there is a lag between project conceptualisation, applications for loans, evaluation and the award of contracts.

If you take the Airport to West Coast highway, every Barbadian ought to know that project was due to have started nearly a year ago and we were

doing everything in our power to ensure that the bidding procedure took place in accordance with the rules.

Similarly there are one or two other projects that were held up because of the need to get international procedures to move as fast as we would like. But this is the experience of many countries. I would say that with our good record of project completion, the international lending institutions continue to have great faith in us. That is the reason for one or two projects not starting.

With respect to the other projects, the ones that are domestically financed, we ourselves also have to go through procedures; we have to be careful that we are able to show that we are following well recognised tendering procedures, which takes time.

We of course also do projects that take a little time for everyone to appreciate. As I said in my speech in January, the jigsaw puzzle of the development programme of the Barbados Labour Party is now coming into place.

If you look at the agricultural area which is largely financed by us; long ago we planned Oistins, we planned Speightstown and we planned Bridgetown. Oistins was completed in 1981 to 1985. The last election was 1981; there were no buildings on the Oistins reclaimed land. We have a new building func-

tioning. The whole redevelopment of Oistins is coming to a completion. The Glebe in St. George, which the Opposition criticised when we said we were going to have three cities with the redevelopment of Oistins, Speightstown and the Glebe; last elections they talked sarcastically about it.

Well, you can go to Oistins now, you can go to Speightstown and you can go to the Glebe in St. George and you will see considerable progress is being made towards the realisation of these projects.

This is not electioneering. This is the implementation of sound development programmes within a time scale which has changed over factors of which we have no control.

I am proud fact that we are able to have these programmes going and it is now conceded that the work will we have on the ground now will last at least for three years. I don't know if you can say legitimately that they are short term. Three years is not short term to me.

Q: The last budget which was your first, was termed a budget to put people back to work. But instead since then we have had additional unemployment. Was this situation caused by the delay in getting the Airport to West Coast project off the ground as anticipated?

A: Well, partially that and also partially due to the fact that in March last year when I was speaking, few would have envisaged that the downturn in the demand in the United States for electronics, upon which we are very, very dependent for a number of jobs, particularly for young women, would have changed so drastically in the course of a year.

Now we lost some jobs in the second and third quarters last year in that area and that was largely due to the fact that the Japanese exported a tremendous amount of electronics products to the United States and they exported them at such a price that five companies in the United States — leading companies — had to bring a case against the Japanese manufacturers to en-

sure that the dumping they alleged did not continue.

If you look at the year as a whole, you will find that the first quarter of the year, January to March, was strong; winter tourism was very good. March to September was not good because we had the phenomenal increase in the value of the United States dollar which affected our summer tourism from Europe and the recession in Trinidad and Tobago which affected our other tourism-generating source; and you had the turn-down in electronics.

Now by the last quarter, after what is now known as the Group Five meeting in which countries of the world got together and decided in their minds they were going to take action to force down the United States dollar in value as the United States was absorbing by high interest rates a lot of their capital and there was an uneven distribution in the world. After that, with the fall of the United States dollar — strangely enough, that coincided with the efforts among the manufacturers, the electronics industries, to take action against the Japanese — the Yen went up so the Japanese products became more competitive.

As a result of this activity, there was an upsurge in all the cylinders in Barbados, so to speak: in industry and in tourism.

So by the last quarter of the year the unemployment statistics showed that we had gained some new jobs; some new factories had started and that will go right through to this quarter. Now I must look at the figures from the point of view of when I became responsible. Now March to March is going to indicate how I did during the course of that year. But looking at the calendar I would say that all in all, Barbados did very well. If we have not achieved a small growth, it would be a very small difference between what occurred last year and the year before. But the restructuring process that we speak of is continuing and I think that we should emphasise this question of restructuring.

We have to fill the void caused by the Trinidad situation; in manufacturing we have to take advantage of the Caribbean Basin Initiative. A lot of effort has been spent in re-educating our furniture manufacturers, re-equipping them, re-tooling them and the garment manufacturers also; and in looking at the development of Puerto Rico as a potential source for exports.

We have not neglected CARICOM. We are trying to bring Guyana and Jamaica through an international lobbying effort back into the position where they will get help so they can restructure their economies to take up the slack where Trinidad is no longer able to do the same.

Q: It is recognised that you have taken a harder line than your predecessor in dealing with CARICOM — for instance your attitude to Trinidad for failing to promptly sign the Nassau Agreement. Has this attitude been paying dividends?

A: Well, I have been reading the paper and I see that segment in Trinidad is now saying that as a result of bilateral relations between Barbados and Trinidad they are feeling the pinch. Our manufacturers and traders have felt the pinch for a long period of time because of the protectionist element in Trinidad and Tobago. These people who talk today were the very people who were leading advocates of protectionism. They are now suffering the consequences of their own protectionism.

I have no doubt that as more and more countries in the Caribbean study what has been tried to be achieved by the Nassau programme for industrial protection and what has been tried to be achieved by the new agricultural replacement mechanism for the marketing protocol — I have no doubt that when they study that, they would have known that in 1984, a serious effort was made as a result of good quality advice given to the heads of government and trade ministers in Nassau, to restructure the Caribbean economies so that things will change.

The Barbados attitude was one where for a very long period of time we begged, we preached, we besought people to implement what they had agreed on at the international table. I believe things will change.

Q: Mr. Prime Minister, you are well known for being able to carry a large work load. At one time you were Deputy Prime Minister, Minister of Trade and Industry, Minister of Tourism and Civil Aviation among other portfolios; then you became Prime Minister. Would you say that your reluctance to appoint a Deputy Prime Minister is due to your ability to carry the weight at the top?

A: I was asked that question previously. I believe that in the context of political parties it is very difficult for a prime minister to say he is going to pick A, B or C. The deputies just emerge and when they emerge they will be appointed. I don't think that we have suffered in any way from not having a deputy prime minister. I think the Government has gone on very well and I have no doubt that it will continue to.

Q: Now, as you gear yourself for a general election, what do you see as the main issues in the 1986 elections?

A: That is very difficult for me to say at this stage because of the confusion in the ranks of the Opposition. Quite out of the blue, an issue was being raised recently about the electoral system in Barbados. I don't think that anybody can take seriously — at least I hope that the people will not take seriously the unwarranted allegations which have been made with respect to our electoral system.

In the context of today's world, I will expect that the re-

cord of the Government will obviously have to be one of issues. To me also, the issue that will be really hammering is what programmes the political parties are going to lay on the table to deal with the change that has to take place in the structure of the economy; in our attitudes in Barbados; if we are to successfully compete in the new world that we are likely to face in the last 20 years of this century. What foundation we are going to lay for preparing our people who are going to have their adult livelihood in the next century. That is going to be important; the prospects for the future; the foundation; the aim and things of that kind.

Some people will try to make an issue of unemployment but I believe our record of handling the unemployment situation is better than the Democratic Labour Party's, particularly in the context of unemployment in the rest of the world.

Inflation! They dare not raise inflation. We are doing very well with that. So that economic matters will I am sure be issues and the Barbados Labour Party is prepared to face any of these matters. We can handle ourselves.

Q: What I did observe in some situations was that the international lending agencies exercised extreme caution in dealing with new leaders. Sometimes the agencies tend to adopt a wait-and-see attitude. Did you have any problems at all with these agencies?

A: No. I certainly didn't have any problems at all. Although I say so myself, I believe most people in the international agencies, the people who make these decisions, would have been acquainted with the work that I have done as Barbados' Minister of Trade, Industry and Tourism. I had after all a tremendous amount of exposure in international trade negotiations.

The British people would be aware of this and I participated in the exercise for the Caribbean Basin Initiative between 1982 and 1985. We have never had any such problems.

Q: We are all aware that in political parties there are cliques who hold admiration for individuals within the party. For instance, it is well known that certain members of the Barbados Labour Party were closer to the late Prime Minister than they were to you; whilst others held a greater admiration for you.

Since taking over as Prime Minister, have you found that everyone has rallied around you and given you the loyalty and support you required to run the Government?

A: I would certainly say that. Don't forget that I have been around for a very long time in the Labour Party. I have been in the Labour Party in its resurgence in the 1960s. I was there in the seventies; I was there in the early eighties. So that I am well known within the Labour Party and the contribution that I made towards the resurgence of the Labour Party and towards the enhancement of the quality leadership that the Labour Party achieved since it received power in 1976 is well known.

I can say quite faithfully and honestly that I received the best cooperation that one could ever think of receiving.

Q: So you are saying that all the rumours around about the conflicts with the Barbados Labour Party are nonsense?

A: To tell the honest truth, I don't know who would believe such rumours first of all. They started one or two weeks after the death of the last prime minister. But you would have noticed something; they just disappeared. Nobody answered them. They just disappeared.

BARBADOS

WORKERS PARTY TO ENTER TWO CANDIDATES IN NEXT ELECTION

Bridgetown SUNDAY SUN in English 9 Mar 86 p 1

[Article by Tony Vanterpool]

[Text]

ANOTHER political party has indicated its intention to contest the upcoming general elections, constitutionally due to be held by September.

The Workers' Party of Barbados (WPB) has announced that it will enter two candidates in the contest and has announced that one of them is Ricky Parris (29) WPB's organising secretary.

Parris, a laboratory technician, will be contesting a seat in St. Michael North East against incumbent Leroy Sissett of the ruling Barbados Labour Party and the Democratic Labour Party's Leroy Brathwaite.

General secretary of WPB, University of West Indies lecturer Dr. George Belle, said: "Another candidate, yet to be ratified by the party, has been named for the Christ Church West constituency."

The nominations came last weekend after a WPB executive conference at an undisclosed Christ Church venue.

New perspective

In an exclusive interview with the SUNDAY SUN, Dr. Belle, who heads the Department of Government at the UWI's Cave Hill Campus, listed two main things the party hopes to achieve by participating in this year's elections as:

"The first is to legitimise the party as a spokesperson for the working class and the second to

serve as an educational experience for the party's cadre and allow us to have a different perspective so as to prepare for future campaigns."

As to his campaign strategy, Dr. Belle said that like the two established parties, WPB will engage in the distribution of pamphlets, in holding public meetings and in house-to-house canvassing.

Meanwhile as the election date draws near Opposition Leader Errol Barrow goes to St. Giles Girls' School today to address the DLP's St. Michael East constituency branch.

Right now the incumbent, Dr. Don Blackman, of the Barbados Labour Party is out of the island. He is due to return within days and a long-awaited announcement as to his future in politics is expected to be made.

In the interim, however, neither the BLP nor the DLP have announced their candidates for St. Michael East. Both parties claim that they were awaiting submissions from the constituency branches. They are

awaiting Dr. Blackman's next move.

A rumour that the BLP was backing its new general secretary, Pat Symmonds, for the St. Michael East constituency, was quashed yesterday by Miss Symmonds herself who told the SUN: "There is absolutely no truth in that."

In the North, Martin Cadogan, who contested the two by-elections in St. Peter in 1984, told the SUN that he would again be running as an Independent for St. Peter.

Said Cadogan: "I understand that there will be an increased number of Independents in the forthcoming elections. This is good. The Independents have a vital role to play."

Among the names mentioned to run in the Independent division was that of former parliamentarian Dr. Rameses Caddle who suffered defeat at the hands of Dr. Blackman in St. Michael East in 1981.

When questioned Dr. Caddle promptly replied: "Man, you should know better than to ask me that."

The DLP series of political education meetings continues today at 7:30 p.m. with a mass meeting held by the St. James South and St. Michael North constituencies at Montgomery Pasture, Cave Hill. Speakers will deal with the issues of drug abuse, unemployment, electoral matters and education.

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CSO: 3298/397

BARBADOS

GOVERNMENT TO HAVE NEW OFFICE FOR CORPORATE AFFAIRS

Bridgetown SUNDAY SUN in English 9 Mar 86 p 3

[Text]

BARBADOS is to get a Department of Corporate Affairs. It will act as Government's agency for dealing with matters concerning companies.

Minister of Commerce, Industry and Consumer Affairs, Louis Tull, made the announcement on Friday as he delivered the feature address at an Industrial Development Corporation (IDC) corporation seminar on the domestic manufacturing sector at the Hilton.

Mr. Tull said that the department will be set up within his ministry and should begin operating next month. He said that the depart-

ment, which will deal with finance and other matters affecting companies, is another step in "a systematic and concerted effort" on the part of Government to bring assistance to the manufacturing sector.

The minister also pointed to initiatives taken by Government to assist the furniture industry, specifically, the establishment of the Barbados Furniture Export Trading Company.

He said that one shipment worth about \$225 000 had been made, and another, valued at \$300 000, is on schedule with two repeat orders on hand.

Mr. Tull said that the company

is now designing a new range of dining room furniture and bedroom furniture is to be produced for the first time. The latest items will go on display at the October High Point Market, and production will begin by January 1987.

In examining the island's chances of competing in the extra-regional market, Tull noted that while it may be difficult to compete barely on costs alone, Barbados has the capacity to compete with anyone on quality and productivity.

"If we make quality goods, we too can carve out our own market niche," he said.

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CSO: 3298/397

BARBADOS

1986-87 GOVERNMENT REVENUES, EXPENDITURES OUTLINED

Bridgetown DAILY NATION in English 11 Mar 86 p 1

[Text]

THE BARBADOS GOVERNMENT expects to rake in nearly \$700 million in taxes to cover its current expenditure during the coming financial year.

This is spelt out in the Barbados Estimates 1986-87 which are expected to be laid in the House of Assembly on Monday. When compared with projected expenditure, the financial year should end with a surplus of nearly \$4.5 million.

The Government is planning to collect:

- \$229 million in taxes on income and profit.
- \$32 602 000 on taxes on property.
- more than \$182 million on taxes on goods and services
- \$103 million from non-tax on international trade
- \$87 million on other taxes
- \$58.5 million from non-tax revenue.
- \$5 million on special receipts and
- \$7 million on loans and advances, giving a grand total of \$704 656 616 in current revenue.

Current expenditure, which covers such things as salaries of public servants, is projected at \$700 283 943, leaving a surplus of current revenue over current expenditure of \$4 372 673.

Of this money listed under current expenditure, \$175 million will go to the Ministry of Finance and Planning, while the second largest sum of more than \$152 million will go to the Ministry of Education. The Ministry of

Health takes the third largest slice of this cake, with more than \$110 million.

Of this projected \$700 million current expenditure, \$294 668 876 will go toward the wages and salaries of public servants.

Capital expenditure for the 1986-87 financial year has been projected at \$188 503 768, nearly \$50 million more than the \$139 200 000 of the revised Estimates of 1985-86.

Once again the largest sum on capital expenditure will be disbursed by the Ministry of Transport and Works (MTW); \$46 823 000, compared with \$22 897 758 the previous year. Second in line is the Ministry of Finance and Planning with \$34 million; then the Ministry of Agriculture with \$29 million; the Ministry of Health and Social Security and Ministry of International Transport with \$16 million each; and the Ministry of Education and Culture with \$14 million.

The one-and-a-half inch thick document also states that by the end of the current financial year Government will have raised over \$75 million in loans from foreign sources, \$51 335 015 from the World Bank, \$5 600 000 from the Venezuelan Investment Bank, \$7 925 823 from the Caribbean Development Bank (CDB) and \$4 156 686 from the Inter-American Development Bank (IDB) were among the largest loans.

In domestic financing, Government will have raised more than \$41 million through debentures, and \$49 million from other domestic sources.

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CSO: 3298/397

BARBADOS

REPORT SHOWS RATE OF ECONOMIC GROWTH SLOWED IN 1985

FL281626 Bridgetown CANA in English 1523 GMT 28 Mar 86

[By Reudon Eversley]

[Text] Bridgetown, 28 Mar (CANA)--Barbados' economic growth rate slowed considerably last year, as output in the key tourism, manufacturing and sugar sectors declined, the government says. Inflation dipped to 3.9 percent--the lowest level since 1967.

The annual economic report, to be tabled in parliament next week, said real gross domestic product (GDP)--the total value of all goods and services produced in the economy--expanded by 0.3 percent in 1985, compared with 3.5 percent the year before.

In dollar terms, this meant GDP increased to 779.9 million dollars (one Bds dollar; 50 cents U.S.) from 777.6 million in 1984.

Output in mining and quarrying was up 10.3 percent, the largest increase recorded by any sector for the year. Increases were also shown for the electricity, gas, water, government services, construction, wholesale and retail, and business and general services subsectors.

Unemployment rose to 18.7 percent from 17.1 percent in 1984, with women accounting for a higher percentage than men.

Per capita income rose 7.9 percent to reach 8,860 dollars for the year and the trade balance improved, the 107-page report said.

According to the report, output in manufacturing declined in real terms last year by a significant 9.5 percent after three successive years of positive growth.

Tourism, the number one industry, declined by three percent in real terms, but tourist expenditure rose and sugar fell by 0.2 percent, the first decline in five years.

The decline in manufacturing was linked to ongoing trade problems in the Caribbean Community (Caricom), the principal export market for local manufacturers.

The fall-off in tourism, Barbados' main foreign currency earner, stemmed from a 3.2 percent decline in long-stay visitors and a 5.6 fall in the average length of stay to 6.7 nights, the report said. However, there was a 13.2 percent increase in cruise ship passengers and tourist expenditure was estimated to have reached 618.1 million dollars, an 8.8 percent increase over 1984.

Continued strong performance by the oil industry, where crude oil and natural gas production was up seven and 32.4 percent respectively, contributed to the good showing by the mining and quarrying sector, the report said.

Domestic crude oil production, accounting last year for 56.6 percent of local requirements, amounted to 679.2 thousand barrels, a seven percent increase over 1984. Average daily output was 1,806 barrels.

Gas production rose to 32.2 million cubic metres as against 25.3 million in 1984.

The report noted an improvement in the balance of trade, with the posting of a surplus of 114.1 million dollars, compared with 110.7 million in 1984 and 24.2 million in 1983. Both exports and imports of goods and services declined during the year, the report said.

Exports of goods and services, which stood at 1.692 billion dollars in 1984, slipped by 5.6 percentage points to a figure of 1.598 billion dollars or 64.6 percent of GDP at market prices.

Imports of goods and services declined by 6.2 percent to reach 1.484 billion dollars during 1985 compared with 1.581 billion dollars during the previous year. Imports accounted for 60 percent of GDP at market prices during 1985, thus reflecting a better performance of the economy than in 1984 when the figure was 67.8 percent, said the report.

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CSO: 3298/397

BARBADOS

CONCERN FOR SUGAR SPURS AGRICULTURAL DIVERSIFICATION

Bridgetown DAILY NATION in English 24 Feb 86 p 1

[Text]

AGRICULTURE AUTHORITIES are hastening crop diversification because of a growing fear of a forced collapse of the sugar industry, says Barbados Sugar Industries Limited (BSIL) executive director, Errie Deane.

Deane said on Voice of Barbados yesterday, the sugar industry was taking a comprehensive look at the whole question, and in a matter of days a report should be submitted to the Ministry of Agriculture.

Speaking on the radio programme, **Point At Issue** Deane said: "Basically, the move (away from sugar) seems to be very important at this time because at the moment we produce more sugar than is required on the contractual market, and this sugar has to be sold at a price which does not even cover our marginal costs.

"We have been having long discussions with Government, and we are more or less finalising various plans to put before them. We hope to have it all finalised within another few days."

Deane took issue with the view that many of the plantation owners who have been involved in sugar cultivation for many decades do not want now to diversify. He said land-owners were in the business to make money, and if a profitable substitute crop could be found tomorrow the

farmers would move away from sugar.

"Sugar planters are really agriculturalists interested in planting the land," he said, "and if they can move into a new area and make a profit they would. The bottom line is really money."

Giving an overview of the situation faced by sugar on the international market, Minister of Agriculture, Dr. Richard Cheltenham, pointed out that in the United States in particular, the large consumers of sugar such as the makers of Coke and Pepsi had been turning to less expensive substitute sweeteners.

Cheltenham explained that two years ago Barbados used to sell 20 000 short tonnes of the 100 000 tonnes of sugar it produced to the United States. This has been reduced by the Americans to 12 000, he said, and a further reduction was possible.

"This," he added, "would mean an even greater quantity of sugar would have to be sold on the world market at between three and four cents (United States currency) per pound — a sum that does not allow the industry to recover production costs.

Prime Minister Bernard St. John noted there was a market for other crops such as fresh vegetables, especially during winter times when the climate did not allow for production of these vegetables in North America and Europe. But, he warned, quality would have to be the watchword.

However, the Prime Minister said diversification was costly, and the agricultural sector would need assistance in this area. Government, he added, would be very active in this.

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CSO: 3298/397

BOLIVIA

BRIEFS

COURT ACTION OVER SEIZED TIN--La Paz, 3 Apr (EFE)--The Bolivian Government has announced that it will take court action against businessman Miguel Orlandini who last week seized 1,050 metric tons of refined tin at the port of Rotterdam in the Netherlands. According to reports released in La Paz, Orlandini seized the 1,050 tons of Bolivian tin as compensation for the financial loss suffered for the return to the state of the Totoral mine during the government of Hernan Siles Zuazo. Bolivian Mining Minister Jaime Villalobos has released a communique in which the government states that the tin was seized just as the Bolivian Government began court proceedings related to the seizure of another 408-ton consignment of tin in January 1986. The communique adds that in view of this offense, the Bolivian state will assume the full defense of its interests and its sovereignty through lawful means and the agreements on international trade. [Text] [Madrid EFE in Spanish 1741 GMT 3 Apr 86] /9871

ARMY SPOKESMAN DENIES CONFINEMENT--An official spokesman of the Army High Command has stated that it is not true that the Joint Chiefs of Staff have ordered the personnel of the three branches of the armed forces confined to barracks. The spokesman said that activities in the armed forces are normal and each command is carrying out its specific duties. Over the weekend a news report indicated that, after evaluating the country's status quo, the Armed Forces High Command confined all personnel to barracks. According to the spokesman, this report is untrue because no confinement to barracks has been ordered. [Text] [La Paz Radio Illimani Network in Spanish 1100 GMT 8 Apr 86] /9871

MINISTER WARNS AGAINST DISTURBANCES--Tension prevails in the city of Cochabamba. Interior Ministry Undersecretary Guido Merubia has granted an exclusive interview to Radio Panamericana and stated that the government will guarantee the tranquility of the people regardless of the consequences. From Cochabamba, Merubia stated that the government will see that the law is respected, and added that those who provide disturbances will be detained. He accused community leaders, including a Mr Unzueta, of calling for confrontation over local radio stations. Merubia added that no disturbances will be allowed, and that the police will act with force to prevent conflicts during the stoppage that is taking place today in this capital. The Interior Ministry undersecretary stated that the government will respond energetically to coercive measures. He added that the stoppage that is taking place today in Cochabamba is clearly of a political and subversive nature, and that it seeks confrontation. He went on to say that leader Unzueta will be detained within the new few hours. [Excerpts] [La Paz La Red Panamericana in Spanish 1700 GMT 3 Apr 86] /9871

30 April 1986

COLOMBIA

BARCO ON SUBVERSION, ALLIANCE WITH UP, CENTRAL AMERICA, GOALS

Solution to Economic Problems

Bogota EL TIEMPO in Spanish 21 Feb 86 pp 1-A, 6-C

[Text] The serious problem of unemployment in Colombia, which is now at the highest level in our entire history, can be solved if the people decide to elect a government and a congress committed to achieving this great objective, stated Liberal candidate Virgilio Barco last night.

Barcos appeared on television for the second time, utilizing broadcast time allocated by the government to the political parties.

"In the past 3 years, unemployment and partial employment have affected more than 2 million people. This is the highest figure in our history, and it reflects a terribly cruel and oppressive social problem," he said.

He added that "this alarming trend has emerged under the Conservative administration due to a lack of appropriate planning policies, of experience, and of orderliness and efficiency in public administration.

"The solution to the problem of unemployment is up to the people, above all. If you exercise your suffrage and elect a government committed to this great objective, and give it majority support, it will be possible to overcome this tragic situation. Throughout the history of Colombia, the Liberal Party has always been the party to bring about social change and to save the country from crises.

"The Liberal Party is the party of employment, the party of economic achievement for the good of the lower classes. History shows this," asserted Dr Barco, who went on to mention the accomplishments of Liberal administrations in this area.

The candidate provided the following end-of-term unemployment figures for past administrations:

Pastrana (July 1974) 12.7 percent

Lopez (July 1978) 7.6 percent

Turbay (July 1982) 8.7 percent
Betancur (April 1985) 14.0 percent

The jobless rate in Bogota climbed from 6.7 percent at the beginning of the Betancur administration to 13.7 percent by April 1985, a 104 percent jump, according to Dr Barco.

Here are the highlights of Dr Barco's televised speech:

"Now, during these difficult times for the country, the Liberal Party will once again face the crisis successfully. That is why Colombia needs a Liberal government. With the support of the Liberal majorities and the Colombian people, the next administration will be able to carry out a comprehensive policy of employment, which really gets to the root of the problem.

"Beginning on 7 August 1986, I will immediately implement an accelerated program to create jobs. In a country where there is so much to do--almost everything--where large tracts of fertile land lie fallow and industrial machinery operates at half capacity, it is impossible to understand why the battle against unemployment cannot be waged immediately.

"In my recent visits to very needy neighborhoods on the outskirts of Bogota and other cities of the country, I have found half-finished streets that could facilitate access to districts and neighborhoods where the congestion is tremendous; half-built schools, health centers and daycare centers; public recreation parks that have turned into dumping grounds; and streets whose pavement has turned to rubble. With the efficient and immediate infusion of public funds, no matter how scarce they may be, the pressing needs of the poorest districts can be met, and this will provide the first wave of useful employment. These new employees, and these new projects and jobs, will stimulate the demand for food, clothing, construction materials, low-cost furnishings, and all kinds of services.

"Then the initial impulse will be transferred to other sectors of the economy, including food production and agroindustry. In an upward spiral, the effect will finally reach big industry. From there will come major projects and actions. In a constant, expansive interaction, the generation of employment in each area or sector will promote the emergence of more jobs in other sectors of economic activity.

"For all of this to be possible, we need above all the mobilization of the community as a whole. This, in turn, requires the creation of a climate of optimism, creativity and investment. That can only be done when people are convinced that the administration is serious and experienced, and can set forth predictable rules. These rules will provide assurances to investors and workers, and will stimulate the efforts and initiatives of the different sectors of the community on all levels.

"At the same time, we will apply the levers of credit and development financing to stimulate productive activity, which will in turn create more jobs. This includes the microbusinesses. We will take measures to strengthen the buying power of all Colombians, combatting inflation and giving wages more

purchasing power. We will also stimulate exports, as was done under the government of President Carlos Lleras Restrepo with results that the country now remembers with admiration.

"During my campaign, as I am doing tonight with you, I have been proposing solutions to the various problems that Colombia faces. I have done this with sincerity and candor, dialoguing with the people, identifying the difficulties, but also pointing the way to solutions. And I have found Liberals who respond enthusiastically with flags and show up in large numbers. They know that it is their turn now, and they have before them a chance to write new pages in our history, as has happened in past crises.

"For this purpose, the party wants to elect a president in May. Before then, in March, it wants to elect a congress, some assemblies, and some city councils with large Liberal majorities. In this way, we will be able to govern Colombia once again, and to send it down the true path to its destiny, with a Liberal orientation, for the good of all our countrymen."

True Change

In addition, yesterday Liberal candidate Virgilio Barco laid down the goals that the Liberal Party intends to achieve in office. In his second speech on National Radio, he stated the following:

"We intend to alleviate the tragic plight of millions of our compatriots, who are trapped in poverty and unemployment. For that reason, change will take place peacefully and progressively, until we achieve our proposed goals.

"Our objectives are ambitious but attainable. The first one is to create a social economic system that makes the economy serve the interests and needs of the entire society, especially the most deprived sectors. The purpose of this system will be to combat unemployment, and its medium-term goal will be the eradication of the dire poverty that plagues many of our countrymen.

"Another goal of the government will be to achieve the pacification of the country, with our hands extended, firm and steady. We will remove the underlying causes of dissent within the context of the rule of law. We will give the court system and the judges the resources they need, and will dignify and exalt their mission, at the same time maintaining the respect and support that the military deserves as the defender of our institutions against internal subversion.

"We will promote an administrative reorganization in order to make the government function more efficiently, and we will carefully monitor the conduct of civil servants.

"In the economic sphere, one of the Liberal government's goals will be to defend the value of the currency so that its strength will guarantee fair wages, growing savings, and a sufficient amount of indispensable investment. All these factors will ensure the country's progress. We will also seek to democratize economic power, giving better opportunities to small savers.

30 April 1986

"We will modernize the rural sector with the implementation of a comprehensive agrarian reform program that encourages just systems of land ownership and stimulates the use of advanced technology. In addition, we will promote cooperatives, labor unions and users' associations to protect the interests of small farmers.

"An important part of the Liberal agricultural policy will be the promotion of agroindustry, not only as a source of employment but also as a means to enhance the country's revenues.

"In the cities and their environs, we will foment reforms in the use, ownership and taxation of land, within an overall policy concerning growth, housing and public services.

"In the political sphere, we will encourage reforms to ensure greater participation by the people in decision-making.

"In the international sphere, we will restore to Colombia the prestige it deserves as a democratic, civilized, progressive country that defends peace and respects international law.

"The country needs to boost its industry, which has been so severely affected by the crisis we are undergoing. To achieve this, we must work on several fronts. On the one hand, we must reduce the impact of the cost of foods and services on Colombians' buying power.

"We must steadily increase exports of manufactured goods; create the necessary economic conditions for a real decline in interest rates and facilitate wide-ranging, long-term financing mechanisms for industry; and restructure the industrial sectors that have lost their competitive capacity on the market due to outdated technology and obsolete machinery.

"My Liberal administration will heed the yearning for regional autonomy that is so evident throughout the country, and allow municipalities and departments to control their own affairs. It will begin with education, health, and public services.

"At the same time, we will stimulate the development of what I have called alternative cities, those which have the population, the support for national reproduction, and the potential fiscal revenues to become major and decisive centers. This will prevent the continued migration to the big cities."

Peace Policy, Political Alliances

Bogota EL TIEMPO in Spanish 27 Feb 86 p 8-A

[Excerpts] The presidential candidate and leader of the Liberal Party, Virgilio Barco Vargas, asserted yesterday that Conservative candidate Alvaro Gomez Hurtado is definitely lost if he thinks he will win Liberal votes.

"Be serious," Barco responded to journalist Margarita Vidal when she asked him about the allegation that some Liberals intend to vote for Gomez. Barco was

interviewed last night on the program "Al banquillo con Margarita" [On the Stand with Margarita], which is broadcast on Channel 1.

Peace Policy

When asked how he would handle the problem of subversion once in office, Barco Vargas recalled that he has decided to follow a policy of a firmly extended hand.

"An extended hand," he explained, "because I am willing to engage in dialogue. I will never resort to repression for its own sake. I will be obliged to uphold the Constitution and guarantee Colombians life, honor and property, but I will use every means to seek an understanding. Because if there is a party, a subversive group like the Revolutionary Armed Forces of Colombia (FARC) that has become a party, as it has done, and has chosen ballots over bullets, I am all for it. As soon as the formation of that party was announced, I was one of the first to praise that decision, the creation of the Patriotic Union (UP). It is a party that thinks, that wants to count for something, that wants to advance within the democratic system. I think that is good and useful."

Alliances with UP

When asked about an apparent contradiction between that position and the one which he assumed regarding the alliances between some Liberal leaders and the UP (which the interviewer said he had forbidden), Barco once again chided the journalist for her lack of objectivity and background knowledge.

"I am very disturbed," he said to her, "first because I see that you are a very busy person who is involved in many activities. You cannot read all my statements in the press. I never forbade those alliances; what I said was . . ."

"Not forbade," interrupted the journalist, "but you said that they could not register as Liberals, which amounts to the same thing."

Then Barco recounted the background of this situation, and concluded: "I cannot intervene and prohibit, and I have not done so, because within the Liberal Party the word prohibition does not exist. What I said is that they could not, according to the Party Bylaws that Congress had just passed, register as Liberals. They could not do so legally because the UP also had its own registration. But at no time did I forbid those alliances, because I believe that if they are forged in good faith, if they are oriented toward elections, then they are good for the country."

Under Regina's Spell

The journalist then referred to a "spell" of Regina 11, according to which Barco had two strikes against him for becoming president of Colombia: No mayor had ever attained that office, nor had anyone with EL TIEMPO's support.

Barco replied, after defending his record as a mayor who served the working classes of the capital: "EL TIEMPO has supported countless candidates who have indeed been elected president, and that publishing house produced one of the greatest of all Liberal presidents: Dr Eduardo Santos."

Galan's Dissidence

After handling other odd questions, such as whether he carried a gun (like a good Santanderean)--to which he responded with a resounding "Never!"--Barco was asked about some Liberal Party officials' descriptions of Senator Galan as a "renegade and dissident." He said, "I have never used those adjectives or terms to describe Dr Galan, and I never would."

He said, however, that Galan "has ended up being used very skillfully by the Conservative candidate as a tool to split the Liberals," and he emphasized: "I believe that that is what has generated resistance to Galan."

Agrarian Policy Key to Economy

Bogota EL TIEMPO in Spanish 28 Feb 86 p 12-C

[Text] Liberal candidate Virgilio Barco criticized the Betancur administration's handling of the problem of inflation, and indicated that the rise in the cost of living, exaggerated inflation rates, and bad policies for handling the agriculture and livestock sector, the marketing of foodstuffs and the management of public spending will be the most important economic issues that the incoming administration must grapple with.

Speaking on National Radio in the time allocated for the political parties, he pledged that the Liberal government will combat the scourge of inflation ceaselessly and relentlessly. He also stated that an agrarian policy is needed.

He said that he will devote every effort to the recovery of the agriculture sector until Colombia no longer needs to import food. He stressed that "my government's agrarian policy will not be one of improvisation, but rather of achievement."

Barco devoted his entire speech to discussing the cost of living problem, and stated that the lack of adequate policies in the agriculture and livestock sector to govern the production, transportation and marketing of food products is the primary cause of increases in food prices.

He added: "The current government has made a lot of mistakes in handling the prices of essential items. When wages go up, hikes are authorized almost immediately in the prices of transportation, gasoline and public services. In this way, the salary raise disappears in a few days, and the Colombian worker faces the same problems in ensuring his own survival and that of his family.

"The economic strategies applied by the government to deal with the problem of inflation have been contradictory, the result of the short-sightedness, lack

of coordination, and disorder that have characterized its actions. They run counter to the idea of a minimal program.

"As in many other areas of public administration, Belisario Betancur's government has improvised. First it attempted an economic recovery by adjusting wages above the indices of inflation and applying selective programs to stimulate the business sector with currency issuances by the Bank of the Republic.

"Then it decided that this was not working, because the results were higher inflation and the paralyzation of the economic recovery.

"Throughout this entire process of backing and filling, nothing was done to stop the cost of living from rising.

"For this reason, the incoming Liberal government will focus on the overall recovery of the agriculture sector, until Colombia manages to free itself of the burden of food imports.

"The agrarian policy of my government will not be characterized by improvisation, but rather by achievement. We will not use the farm sector to engage in experiments, but rather to restore its efficiency. We will turn the agriculture and livestock sector into a dynamic source of employment and food.

"It is imperative, moreover, that we define a comprehensive, wide-ranging, long-term policy for the production of goods and services for popular consumption, aiming at the primary goal of assuring adequate supplies to families. This is an essential ingredient in the battle we will wage to eradicate abject poverty and to raise the Colombian people's standard of living.

"The atmosphere of insecurity and the deepening of conflicts revolving around land ownership, the increasing impoverishment of the rural classes, the growing frustration of thousands of small landowners and peasants, all should be counteracted in order to solve the agricultural crisis.

"It is imperative that we improve the physical infrastructure, apply new and appropriate technologies, and modernize the systems of marketing, credit, processing, storage and transportation. We must also promote farmers' associations, and access to government social services, tools and components for all farmers."

Later on he noted: "To achieve the objectives of controlling inflation, we must adopt consistent, long-term policies for the management of the entire national economy.

"In all countries, whether large or small, governments seek a strategy for improving the quality of life and the incomes of their citizens. The role of the state is very important in the adoption of such programs.

"I am proposing the construction of a modern, vital, prosperous and just society, guided by a majority party that is completely committed to these

ideas and proposals. It would be governed efficiently by capable and experienced people, and the function of the state would be clearly-defined and harmonious.

"We want a society in which poverty, unemployment and inflation are fought day in and day out.

"This and only this will bring about a secure, stable, harmonious society that can overcome its most severe and violent conflicts."

Policies on Business, Central America

Bogota EL TIEMPO in Spanish 19 Mar 86 p 8-A

[Text] Liberal candidate Virgilio Barco stated here today that the solution to Colombia's insecurity does not lie in setting dates for negotiating truces, but rather in providing the appropriate conditions for producing real agreements that will lead to the effective disarmament of the subversive groups.

Barco indicated that to achieve true security, the judicial system must also be reformed to make it more efficient and to give it the resources it needs to carry out the responsibilities assigned to it by the Constitution. He also stated that the Armed Forces have the capacity to deal with public order problems, but they do not have the essential resources.

The Liberal candidate spoke at a round table with representatives of the principal businesses in the private sector of the El Cauca Valley. The meeting took place at the facilities of Carton de Colombia.

Barco arrived in Cali shortly before noon, and toured the firm's plant before beginning the round table.

More than 60 businessmen were present to hear his proposals, and many of them asked questions about the problems that concern them most. Barco discussed current issues such as the lack of security, unemployment, the economic situation, and the tax and budget situation.

Barco proposed that special conditions be provided to facilitate the participation of foreign industry; the latter should be given more guarantees than its domestic counterpart, he said, without damaging domestic investment.

"Colombia can offer many advantages for foreign investment: We have political stability. Foreigners are not hated here. We have not had any wars. Ours is a country with excellent human and natural resources, and we have no serious problems with our neighbors. Our geographical location is extraordinary. But above all, we are a country of laws," stated Barco.

The majority of the businessmen expressed their concern and alarm about the outbursts of guerrilla violence in this country over the last few days, especially in the El Cauca Valley.

Regarding the tax situation, Barco said it is necessary to carry out fiscal and tax reform. "The current system discourages savings and investment, because there are so many taxes it is hard to keep track of them. If this is changed, taxes will become manageable, and we may even be able to reduce the rates without affecting government revenues."

He then added that the country cannot continue to be governed by circular.

He stated that the labor system must be modified, indicating that the labor federations will be willing to cooperate "if they are convinced that the unions are looking out for their wages today. But they are not seeing any future jobs being created for their children, so unemployment is being stimulated. We must seek formulas that benefit both the labor federations and the country as a whole."

Central America

Regarding the crisis in Central America and the actions of the Contadora Group, Barco expressed his viewpoint on this matter, which is particularly relevant today, as follows:

"The arms race and the unusual increase in military activity in the region are only aggravating the existing tension and the constant threat of an armed conflict, in which we would all be involved in one way or another.

"True peace in Central America will not be achieved without the effective reduction of the sophisticated military apparatus that exists today. Nor can peace be maintained if a significant dialogue is not initiated with the democratic opposition, if basic freedoms are not respected, and if neighboring countries do not stop attempting to destabilize truly representative governments by means of subversion and terrorism.

"Nor can anyone contemplate a stable and lasting peace if no solutions are found to the serious economic and social plight of the nations in that area, some of which endured dictatorships and oppression for such a long time that the latter became their trademark in the world.

"What is the point in organizing occasional assemblies to seek a dialogue with the greatest regional power, which is also the greatest in the world, when we have a forum in which that country is, of its own will, an attentive and committed interlocutor?

"If it is a matter of committing the United States to a policy of peace and economic equity for the hemisphere, why not do so within the framework of the organization that groups all American nations, of which it is a member and whose decisions it has agreed to respect, rather than trying to accomplish this in ad hoc assemblies, which recent experience has shown can be ignored, rejected or disdained?"

8926
CSO: 3348/487

JPRS-LAM-86-039
30 April 1986

COLOMBIA

BRIEFS

RESIDENTS PROTEST NICARAGUAN CLAIM--Bogota 12 Apr (DPA)--A civic group of the Colombian islands of San Andres y Providencia, in the Caribbean Sea, have announced that they will ask Colombian President Belisario Betancur to break off diplomatic relations with Nicaragua. Tomas Livingston, leader of the group, said that this request is based on the Sandinist government's insistence on claiming sovereignty over this archipelago. Nicaragua's attitude, recently renewed by Foreign Minister Miguel d'Escoto, has been repeatedly rejected by Colombia, which alleges that Colombian sovereignty over San Andres y Providencia is based on rights that date back to Spanish colonial times in America and by a treaty signed by Managua and Bogota in 1928. President Belisario Betancur has had the support of all political sectors of the country in his categorical stand. Livingston said: "We cannot continue to allow the Nicaraguan Sandinist government to disregard the sovereignty of these Colombian island territories every 6 months." He added: "We want to know where we stand. If we have the support of our President (Betancur), he will give the natives of San Andres y Providencia the satisfaction of breaking off relations with Nicaragua." Meanwhile popular demonstrations against Nicaragua's claim continue to be carried out on the archipelago. [Text]
[Hamburg DPA in Spanish 1843 GMT 12 Apr 86 PA]

/12929

CSO: 3348/507

DOMINICA

CHARLES COMMENTS ON CBI, INDUSTRY INCENTIVES

Kingston THE DAILY GLEANER in English 20 Mar 86 p 13

[Text] Dominican Prime Minister Eugenia Charles today defended President Reagan's Caribbean Basin Initiative (CBI) against criticism that its purported benefits were not reaching Eastern Caribbean states.

"You don't press a button and expect magic to come out of a tap...The CBI is not an open sesame to the American market," the Dominican Prime Minister told a seminar on the 12 year trade and aid programme.

A lead

"The CBI is in fact a lead. If we use it properly...learn what it means, if we accept the different criteria put down, we can get access to it."

Citing recent proposals by U.S. President Ronald Reagan to facilitate imports of regional garments, she said caricom governments had not ceased to ask for changes in the CBI, and urged the private sector to do its share.

The seminar launched an export-marketing project aimed at helping Eastern Caribbean manufacturers increase exports to the United States in order to take greater advantage of the CBI.

Charles said that various organisations were being put in place to assist the private sector, but local manufacturers should not expect the government to have all the answers.

"People expect to be spoon-fed too much," she said.

Agro-industry emphasis

Charles said her Government was encouraging the establishment of import-export industries here to combat unemployment which she sees as the most important duty of her administration.

She said the administration continued to place major emphasis on agro-industry.

"We want to be able to use what we grow and add value to it so that Dominica benefits and Dominicans benefit," Miss Charles told local manufacturers.

Unemployment

"But while there is this unemployment we would be foolish not to try to get industry here which brings in everything and exports everything. We must make every attempt to get it because we have to get the jobs for our people... The first problem to be solved is unemployment."

She noted that Dominica suffered from a disadvantage in having a small output and advised "unless we collaborate and get together, not only in Dominica, but with all the other islands (in the region), we are never going to have the quantity to make an impact in the market outside there," She added.

The export-marketing project is handled by the Caribbean Association of Industry and Commerce (CAIC) and sponsored by the United States Agency for International Development (USAID).

/12828

CSO: 3298/398

DOMINICA

PARLIAMENT RESOLVES NOT TO PAY ABSENT MEMBERS

Roseau THE NEW CHRONICLE in English 7 Mar 86 p 1

[Text]

A resolution not to pay salaries to members of the House who did not attend and participate in the business of the House was adopted at the Dominica House of Assembly on Monday.

This resolution came about because of a government's decision not to carry live broadcasts of the proceedings of the House after the July 1st, 1985 general elections which returned the Freedom Party to office. At that time the Opposition decided not to participate in proceeding of the House until live broadcasts were resumed. Since then all sittings of the House prior to this latest one which had this resolution not to pay salaries to non participating members resulted in protest walkouts by the opposition.

All the 18 members present of the Government side of the House gave verbal support to the resolution. Absent were Communications and Works Minister Hon. Alleyne Carbon out of the State and member for Grand Fond Hon. Conrad Cyrus.

But what came out most forcefully was that the issue of non-live broadcasts was not the issue at all.

Senator Jenner Armour who had earlier made some amendments to the resolution subject to more amendments by Prime Minister Eugenia Charles in his support said the leadership of the Labour Party had moved into the hands of new leadership namely the member for Paix Bouche Hon. Rosie Douglas.

The member for Paix Bouche he said had been adviser of Maurice Bishop in Grenada, even organising trips to that country. "Bishop had abolished opposition, and parliament was completely abolished. There was no live broadcasts in Grenada." Added Senator Armour, "this man does not believe in parliament and maybe that is why he has ordered his other

members not to attend the House of Assembly."

Senator Swanton Carbon's contribution which made the connection between Libya and the Caribbean startled the House and from thereon to the end of the debate just before 5.00 p.m. all members of the government side made reference to the arguments as made by Senator Armour and quoted from the booklet by Senator Carbon titled 'Libyan Activities in Central America and the Caribbean'.

During the morning session between 10.11 and 12.19 p.m. when Hon. Rosie Douglas made his first appearance, Opposition members Hon. Pierre Charles and Senator Yvette Barzey and Irvine Knight in one group and Hon. Mike Douglas, Hon. Eden Durand and Senator Hilary Frederick in the other group took turns in staying out at the House. From 12.17 to the adjournment an hour later, the entire group remained in the House.

The opposition addressed not one word to the House throughout.

None returned to the House in the afternoon session between 3.00 p.m. and 5.00 p.m.

/12828

CSO: 3298/402

DOMINICA

LIBYAN 'MEDDLING' DISCUSSED IN PARLIAMENT, PRESS

Senator's Remarks

Roseau THE NEW CHRONICLE in English 7 Mar 86 p 5

[Report from Parliament by Morris Cyrille: "Libyan Activities Highlighted"]

[Text]

The question of live broadcast is not the issue said Senator Swanston Carbon during debate on a resolution not to pay salaries to members of the House of Assembly who do not attend and participate in the business of the House.

"Every time the House meets there is someone of the Opposition either in Cuba or Libya." He singled out the members for Paix Bouche, Grand Bay and Portsmouth. "It leads me to believe that there are other motives than live broadcast."

Members Honourable Pierre Charles and Senators Yvette Barzey and Irvine Knight were at the time seated in the House.

Flourishing two documents before the House, Senator Carbon with permission from the Speaker quoted from these booklets, particularly from the one entitled 'Libyan Activities in Central America and the Caribbean'.

The Libyan document talks about a CNM - Caribbean National Movement with central office in Jamaica and intentions of a sub-office in Barbados or St. Lucia.

Mr. Carbon continued: The Libyans have selected a three-man leadership council to run the CNM. Among them is Rosie Douglas of the Dominica Labour Party.

Libyan priority objectives to CNM is the financing and building the following activities: demonstrations and other political activities directed

ed against the Government of Dominica - likewise the Libyans will continue to fund George Louison of the Maurice Bishop Patriotic Movement of Grenada. To fund again those Caribbean countries and dependancies targeted by Libya as offering the best potential for violent confrontation.

Another paragraph makes mention of 17 Caribbean revolutionaries among whom are mentioned Rosie Douglas and Matthew Walters both of the Dominica Labour Party who attended a meeting in Libya in August of 1985 on the question and Libya on the same topic of Quoting from the second document which was not titled, Senator Swanston Carbon referred to meetings in Cuba and Libya on the same topic of destabilisation.

One meeting which had delegates from the Bahamas, Barbados and Antigua was represented by Bill Riviere and Pierre Charles.

It is a pretext their walking out of the House because of no live broadcasts, said the Senator. He lashed out at the communism implications and added that the Freedom Party (after Easter) would go on the rampage to put to rest communism once and for all.

Government has the right to withhold your pay on behalf of the employers, the people. "Attend and participate, come or not come, no pay if you do not participate."

He said the members had earned \$72,000.00 for the past eight months for doing nothing else but walking out.

"They owe \$72,000.00 for leaving Dominica and going to attend meetings in Cuba and Libya undergoing training to undermine the democratic process of the Caribbean."

The Senator also asked the Minister of Finance to look into the finances of the member of Paix Bouche who seemed to live like someone who earns about \$100,000.00 a year, by his ability to buy a transport every year, pay to repair the homes of people, give typewriters to others and yet who, at over 40 years of age started paying taxes since he began earning the tax-payers money as a member of the House.

Prime Minister and Minister of Finance in winding up argument on salaries to non participating parliamentarians resolution said the act dealing with live broadcast was passed by the previous regime. She said not one full stop was changed in that act. "Their reason for not attending the House is because they cannot fault the Government in its running of the country.

With or without opposition this parliament will continue to do its work, concluded Miss Charles.

CHRONICLE Comment

Roseau THE NEW CHRONICLE in English 21 Mar 86 p 4

[Editorial] The time to treasure peace is when it is present. That is also the time to guard it vigilantly.

In the midst of a happy anticipation of an industrial revival in Dominica, a new wave of courage and friendliness, an atmosphere of stability, a document linking some local politicians to Libyan activities comes to hand.

The document highlights Dominica as an area targeted for demonstrations with a view to destabilizing the Charles administration.

The document says that "currently, Libya funnels money through its missions in Suriname and Panama to various parties and groups, like the Labour Party in Dominica. People representing these groups have travelled to Suriname and Panama to receive instructions and payments."

According to the document, the leaders of opposition parties on some of the island republics in the Caribbean such as Jamaica, Dominica, St. Lucia and Grenada have been offered thousands of dollars, in return for opposing the existing democratic institutions in the region."

Libyan interests in the region, it says, are being advanced through the Jamaica-based Caribbean National Movement (name soon to be changed) a four year old grouping of leftist and revolutionary organizations.

Rosie Douglas, George Odlum (St. Lucia PLP) and Hervig Chung (Jamaica) were allegedly selected as the three-man leadership to run the council.

Odlum and others whose names were linked with the Libyans have denied the connection. Not so with Rosie Douglas. On the contrary, he boldly announced on a political platform in Vieille Case that he was going to Libya using words to the effect tell Eugenia to stop me or if she doesn't know where to get money, I know where to get it

If people think Douglas was joking all they have to do is ask him what was his ultimate destination after he stopped off in Curaçao last week. And ask him what was his mission.

There's no need to see all the pieces of the puzzle fitting together to know what these power-hungries are cooking up. It must be far worse than the coup attempts experienced here. Qaddafi of Tripoli is much more dangerous than the Ku Klux Klan, evil as they are.

Libya has made it very clear over and over again it is not interested in peace.

The Libyan leader is angry at the U.S. because he sees that leading country as a principal impediment to his fiendish aims.

The document notes he would like to be the recognized leader of the Arab world and he wants to strike at Israel.

Ever since the Grenada intervention Colonel Muammar Qaddafi is angry at little Dominica whose Prime Minister was instrumental in preventing communist expansion in the region.

The documents go on to say that Libya has earned a reputation for ruthlessness and for exploiting the domestic vulnerabilities of Third World regimes that will not do his bidding. He has said that state bureaucracy stands as a barrier between revolution and the masses. Dominica is one of the countries listed as offering the "best potential for violent confrontation."

Need we hear more? If Rosie Douglas, opposition leader brother Michael and their blinded followers want to dabble in dangerous exploits with wicked people who are notorious for killing innocent women and children in their bloody raids, let them do it outside of Dominica.

Dominicans must not wait for unscrupulous parliamentarians to allow the man who has been called the Devil's Godfather to gain a toe-hold in our country.

Demand a stop to all dealings with Libya.

/12828

CSO: 3298/402

DOMINICA

COLUMNIST SEES HYPOCRISY IN MUSTIQUE STAND ON GUYANA

Roseau THE NEW CHRONICLE in English 21 Mar 86 pp 7, 19

[Michael E. Charles column: "Issues across the '86 bridge": "And the Boat Rocks" Regional Leaders Whitewash the Absurdities of "the Burnham Legacy"]

[Excerpts]

Some weeks ago the leaders of Barbados, and the O.E.C.S. with the exception of those from Antigua and Montserrat, eloped with Guyana's President Hoyte on the Grenadine island of Mustique to talk over their differences. They left Mustique lauding him to the skies as the saintly President whose good name was being abused by a disgruntled opposition and a regional media network, hungry for spicy issues.

Most of these leaders never known to be sympathetic to the brutish behaviour of the Georgetown regime suddenly become, a convert even as the civil rights situation in Guyana worsens.

Suddenly, they have "had the contrary now to show that there was no rigging" in the absolutely outrageous poll of December 9, 1985. Suddenly, it seems rubbing shoulders with those who employ violence, intimidation and wholesale fraud to maintain power is now quite acceptable to leaders whose international popularity and respect sailed in on a democratic ticket.

Suddenly Opinions Become Fact

And suddenly a picture emerges of the traditional brutish attacks by the PNC on known opposition forces, being made glamorous and acceptable to a CARICOM leadership that prides itself on democratic ideals. Suddenly their opinions become fact and the concerns of the opposition, well supported by independent documentation of downright fraud in the last decade are totally discredited. Did anybody read the Chitness report? And are the church groups in Guyana crazy and/or committed to inventing controversial issues capable of embarrassing the Government?

We need to examine these things.

A poll is conducted in a CARICOM state under a set of ground-rules completely alien to the normal standards known and accepted in the grouping. A loud 'no' to international observers and a well established bureaucracy that effectively frustrates any decent

attempt to have the poll audited.

Our leaders are now saying that everything was fair and above board.

But if they have forgotten the saying "Show me your company and I will tell you who you are".... they might do well with a reminder and an invitation to tell the remainder

of Mr. Hoyte's Mustique story on the strength of which they were apparently bullied into falling in line with the persuasions of the same PNC rhetoric that has confused Guyana.

Inspired by his success Mr. Hoyte is moving quickly to rebuild a private sector battered by the socialist ways of his mentor. In that context he is saying what his new friends really want to hear in preference to the un-caribbean prattling of the opposition Peoples Progressive Party and its Kremlin puppets.

International Aid Will Flow

So, thanks in the main to his captured Caribbean political support, international aid will flow in for Mr. Hoyte's development agenda.

It is now left to be seen to what extent all of this will translate into substantial CARICOM benefit which is what Mr. Hoyte's converts are fervently praying for. They must however remember that for all its talk about commitment to CARICOM, Guyana destroyed the CARICOM Multi-lateral clearing facility at a time when the volume was way up on its dedication to regional unity and economic development.

But the reverie will end sooner or later and these West Indian politicians will wake up "one early Friday morning" to the reality that they have been beguiled once again by the dynamics of fascist trickery. They will realize sooner or later that regardless of the will of the people, the PNC Government really has no intention of moving out of office come hell or high water and will therefore continue to deny the opposition access to the means of gaining power by a package of fraudulent measures.

But that's pleasing in the eyes of a CARICOM leadership daring enough to suggest that stage-managed elections

represent an effective defense against the communist threat.

In time though, the insurmountable desire of a people to be free will triumph, regardless of the length of their period of oppression ... And some boss of the paramount PNC will leave on a U.S. Airforce Jet for exile (hopefully not in Dominica) to enjoy the millions he or she stacked away in foreign banks while Guyanese lined up for gas and toilet paper.

But then, the consciences of those CARICOM leaders currently helping to usher in that era may not even be around to feel remorse.

So the hypocrisy continues ...

/12828

CSO: 3298/402

ECUADOR

GUARANTEES TRIBUNAL CONCERNED OVER CANDIDATES' ARREST

PA101551 Quito Radio Quito in Spanish 2300 GMT 9 Apr 86

[Text] Dr Rene de la Torre and Dr Efren Cocios, a member and the president of the Tribunal of Constitutional Guarantees, respectively, have expressed their deep concern that the upcoming electoral process might be affected by the actions that the government is taking against some candidates for deputies of the Popular Democracy Party who were arrested in the past few hours by national policemen.

Dr de la Torre said that on behalf of the constitutional tribunal and in his own name, he requests that government minister Robles explain to the country the reasons why the executive branch ordered the arrest of Dr Yamil Mahuad, attorney Andres Crespo, and retired General Rene Vargas Pazzos. For his part, the president of the Tribunal of Constitutional Guarantees summoned government minister Robles to appear before the tribunal to explain these arrests.

[Begin de la Torre recording] Mr President, [words indistinct] Manabi newspaper which says that civilians [words indistinct]. I spoke today with General Vargas Pazzos and he told me that he was beaten at the time of his arrest. Mr President, I would like you to ask the government minister to inform us of the reasons why Gen Rene Vargas Pazzos, Yamil Mahuad, and Andres Crespo have been arrested. At the time of their arrest, their human rights were not respected. I am worried that in view of these events, the electoral process might be interrupted due to this provocation. Only because of the tranquility and calmness maintained by Gen Rene Vargas Pazzos in Portoviejo yesterday, was there no bloodshed and loss of human life. [Words indistinct] without respecting the dignity of all Ecuadoreans. I have been informed --I was not present at the events--that (?two) persons dressed in civilian clothes who arrested Gen Rene Vargas were drunk. Hear me well. They were drunk and Gen Rene Vargas [words indistinct] and beaten [words indistinct]. I ask the president and members of this tribunal about the circumstances, motives, and reasons why the three citizens were arrested and whether their human rights were respected at the time of their arrest. With the reply of the minister, which I hope will be issued as soon as possible, I will ask the tribunal to issue an opinion on these events. That is all I wanted to state and I apologize for [words indistinct]. [end recording]

/9871

CSO: 3348/505

GUYANA

U.S. HUMAN RIGHTS REPORT LINKED TO MUSTIQUE MEETING

Georgetown CATHOLIC STANDARD in English 2 Mar 86 pp 1, 4

[Text]

IN A REMARKABLE turn-about from previous years, the US State Department Report on Human Rights in Guyana contains far fewer direct criticisms of human rights violations in this country than it did in recent years.

Coming on the heels of the Mustique somersaults by Caribbean leaders, these diplomatic acrobatics seem to be linked.

The contrast between this year's report and those of the recent past are so different that they could be describing different countries.

In 1985 "President Forbes Burnham and a small group of senior officials rule Guyana", while in 1986 "the PNC won 78.5% of the votes" in the December elections, which were marred by allegations of fraud, not by fraud itself.

Again, in 1986 "the independence of the judiciary and the integrity of the judicial process have been respected", while a year ago "the government through political patronage has ... appointed as judges mainly its Afro-Guyanese supporters"

Libel suits were "instruments of repression" last year, but the State Dept. had second thoughts, since in 1986 "there may have been some instances when careless investigation and exaggerated rhetoric legitimately invited libel suits".

The attacks on the churches after the elections, which so outraged the Caribbean, merited the following sleight-of-hand: "By year's end calm prevailed, despite continued allegations by critics of the PNC that they were being harassed by the government in retaliation for condemning the elections as fraudulent".

No other reference to these outrages is contained in the Report.

In what appears as haste to curry favour with President Hoyte, or care not to be accused of "interfering in Guyanese affairs", the Report goes to absurd lengths on the question of religious affiliation, paralleling the government's attacks on the Christian churches.

The 1985 Report had Guyanese divided into 57% Christians, 33% Hindus and 9% Muslims.

Twelve months later we find Christians down 13% to 44%, Hindus up 9% to 42% and Muslims up to 12%, and out-of-the-blue the Baha'is are allocated 2%.

Since the Report claims the population to be "about 800,000" these figures mean that Christian churches have lost 94,000 adherents, the Hindus have gone up by 75,000 and the Muslims by 24,000.

The Baha'is from being unrecorded in Guyanese census figures are now 16,000.

The percentages add up to 100,

leaving no room for the 12% or more traditionally recorded as "other" or "no religion" - not even apparently for the "atheists" President Hoyte has identified among us.

One can only wonder whether pledging loyalty to the ruling party has procreational side-effects, or whether the figures were produced by the same techniques used to count votes last December.

The introduction to this patchwork of evasion and innuendo states that "the reports unashamedly reflect the American view that the right to self-government is the basic political right, that is legitimate only when grounded on the consent of the governed."

"The American people," who we are told, "want their government to identify with decency, fairness and justice" cannot be very happy to find yet another example of misplaced support, coming so soon after the Philippines and Haiti.

In another insidious reversal of position to get in line with our new government's opinions, the report goes out of its way to smear the Guyana Human Rights Association.

It states that "its executive committee is dominated by leading critics, if not opponents, of the government".

Whereas previously the GHRA was "quite effective in drawing international attention", it now only attempts this and is "hampered in its campaign by insufficient documentation of the alleged human rights abuses".

Political Freedom in Guyana, the Report of the Chitnis and Americas Watch mission, is largely ignored and the mission treated somewhat sarcastically.

Election coverage is so biased as to contain the following statement: "despite efforts by the Marxist-Leninist PPP to get PNC agreement to postpone elections indefinitely, constitutionally mandated elections were held".

/12828

CSO: 3298/403

GUYANA

HOYTE DELIVERS REPUBLIC DAY ADDRESS TO THE NATION

Georgetown SUNDAY CHRONICLE in English 23 Feb 86 pp 10, 13

[Text]

COMRADE CHAIRMAN,
Cde. Prime Minister,
Comrade Chancellor, Cde.
Speaker, Cde. Vice
Presidents and other
colleague Ministers, Your
Excellency, Mr. Amadou-
Mahtar M'Bow, Director-
General of UNESCO.

Your Excellencies of the
Diplomatic Corps,

Distinguished Guests,

My dear Comrades and
Fellow Guyanese,

WE are privileged and
honoured to have with us
this evening a great son of
Africa, a dedicated in-
ternational civil servant, an
outstanding citizen of the
world, whose presence
among us as we observe the
sixteenth anniversary of the
founding of the Republic
lends added lustre and
joyousness to our
celebrations.

I refer to His Excellency
Mr. Amadou-Mahtar
M'Bow, the Director-General
of UNESCO, who is visiting
our country at this time as
our guest.

Excellency, it is a great
personal pleasure for me on
behalf of the Government
and people of Guyana, to
extend to you and your
delegation a warm and
sincere welcome and to
wish you a happy, reward-
ing and memorable sojourn
in our country.

We in Guyana have
followed with admiration the
courage and tenacity with
which you have laboured

over the years to promote
among the peoples of the
world a full appreciation of,
and respect for, the dignity,
achievements and cultural
values of their fellow-men as
a necessary condition for
sustaining a humane and
civilised world order in
which all nations can enjoy
equitable conditions for
material and spiritual
progress and all peoples can
have ample opportunity to
develop their full human
potential.

We have always held you
in high esteem and have
greatly appreciated the
noble work you have been
doing. We take this op-
portunity to let you know
that our confidence in you
remains unimpaired, our
support for you un-
diminished. We are proud to
be numbered among your
friends and the friends of
UNESCO.

Comrades, as we
assemble here this evening
in our capital city in our tens
of thousands, so are
gathered, too, in every
region of our country,
thousands of our fellow-
citizens to mark the an-
niversary of our Republic
with manifestations of
national solidarity. By these
several commemorative
acts, we as a people are
demonstrating our loyalty to
our country, reaffirming our
faith in its future, and
rededicating ourselves to its
service in a solemn,

collective and public way.
At this time, we are saying
to ourselves and to the
world that we are proud of
this great and wonderful
patrimony that is ours;
that we will forever honour,
cherish, defend, and
preserve it.

Sixteen years ago we
discarded the old monar-
chical connection, and
adopted a republican system
of government. When we
did that, we were not in-
dulging in a ritual or
symbolic act. On the
contrary, we were making
an irreversible declaration
of independence; for we
severed, once and for all,
the ties which had bound us
legally and psychologically
to an external non-Guyanese
institution. We interpreted
our independence to mean
that we were masters in our
own house, accepting as
ours alone and nobody
else's the task of managing
our affairs and de-
veloping our country. We
fully understood that in-
dependence was in-
consistent with a shiftless
reliance on others; and we
acknowledged the fact that
we had to shoulder our own
burdens.

For us, therefore, as a
matter of logic and com-
monsense, there was only
one principle of sovereignty
that we could ever accept,
and that was, that
sovereignty inhered in us.

the Guyanese people alone. It was therefore not susceptible of impairment, inquisition or review by aliens or other non-Guyanese. Over the years, our concept of independence and sovereignty has remained unaltered; and it is and always will be inalterable.

CREATIVITY

As we set out to build this country of ours, we did not underestimate the magnitude or complexity of our task. But we were never in doubt that we wanted to build for ourselves a humane, productive, democratic and cohesive

society, established firmly on foundations of social justice. To achieve such a society, we realised that we had to become a people who understood the value, importance and necessity of work, who took pride in our achievements and our culture, who respected ourselves and our fellow human-beings and who had the capacity and the will to think for ourselves and to do things for ourselves. We knew, therefore that we had much work to do to organise and develop our country — and that that work was going to be not only difficult and tedious, but an enterprise of many generations.

Cdes, we have now enjoyed sixteen years of republican status. Later this year, on 26th May, we will have achieved twenty years of political independence. Brief though these periods of time are in fact, our achievements have nevertheless been monumental. We have built much of the physical infrastructure that is a necessary precondition for creating a viable, modern state; and we have developed a sense of confidence, defined our objectives, ordered our priorities and begun the process of putting in place appropriate institutions to

strengthen the quality of our national life and quicken the pace of our development. As part of this process, we abolished discrimination in all its ugly forms and manifestations, wherever we have found it in our society. And we introduced free education from nursery to University as the cor-

*struction of the just society
[words illegible] the just society*

we are working so earnestly to construct.

Indeed, not the least of our achievements has been the consolidation of a stable political order that has promoted a climate of peace, enhanced the dignity of our citizens, facilitated them in the exercise of their fundamental rights and freedoms and established conditions in which our national culture can flourish in all its richness and diversity, and in which all of our people—all of them can have ample scope for the expression of their creativity and for the development in all their fullness of their talents and abilities.

We can rightly say today that we have welded ourselves into a nation of confident people.

Comrades, at this stage of our history and development, we have much for which to be thankful, much of which to be proud.

And surely, we are thankful for the life and work and our Founder-Leader, Cde. Linden Forbes Sampson Burnham, who was the vital force in our development as a nation; who led us out of colonialism, politically and psychologically; who fired us with a vision of a disciplined, self-reliant and prosperous society; who rallied and uplifted us when we became tired, faint-hearted and dispirited; who imbued us with an appreciation of our own genius, and instilled in us an uncompromising commitment to the cause of Guyana. The whole purpose of his life's work was to exemplify to us and to convince us that we were a

people of exceptional ability, with a capacity for greatness.

And surely too, we are proud of the fact, too, that we shared with him the wonderful experience and the exciting challenges of moulding our nation in its seminal years. How often did he not, from this very rostrum, teach, encourage and inspire us? And how often did we not, as a people, respond to his reasoned eloquence and go forth with enthusiasm to confront some new challenge or overleap some hitherto insurmountable obstacle in the process of building Guyana?

During his life-time we were accustomed to honouring him with a cultural presentation on his birthday which, by a happy coincidence and circumstance, fell within the period of our annual Republic celebrations. But now that he is no longer with us, we believe that it is right and proper that we should perpetuate his memory and continue to honour him in the traditional way.

But, because this is the first year since the founding of the Republic that he is not here with us, we have resolved, at a Party and Government level, that rather than focus upon a single event this year to honour him, we should regard the entire Republic celebrations as one glorious tribute to him and to his memory.

May his teachings continue to guide us, his fortitude to sustain us, his courage to inspire us, as we continue our onward march towards the bright, spacious and prosperous future which he worked so single-mindedly to win for us and which we are confident we can achieve by continuing his work.

GREAT TASK

Comrades, it is undeniable that, as a nation, we have made great progress and

won for ourselves substantial gains. But we cannot afford to pause or to rest from our labours. Our great task now must be to consolidate and expand our gains and intensify our efforts to create better conditions for ourselves and our children.

As we enter this new phase of our development, I wish to repeat what I have said before on another occasion. Economic considerations must be paramount; indeed, must be our constant preoccupation. But as we proceed, we must avoid the danger of naive thinking. Let us not believe for one moment that we can borrow people's institutions and experiences and transplant them in our country. To attempt to do that would not only be the mark of intellectual laziness, it would also be stultifying and self-defeating. We have overcome many an obstacle in the past and survived difficult circumstances because we have had the courage to think for ourselves, the will to work and the intelligence to be flexible and responsive to the imperatives of changed and changing conditions. We have to continue to think through our problems, make our own decisions and learn from our own mistakes. The institutions we build and the conventions we establish must emerge from our historical and cultural experiences, must accord with our objective realities and must be consistent with the needs and aspirations of the Guyanese people. Otherwise, they would be useless and even dangerous.

I am stressing this point Cdes. because there is always a great temptation, particularly in times of difficulty, for some persons to abandon commonsense and relapse into the superstitious belief that there is a royal road to development; that, only if we would copy this or that

foreign model or adopt this or that approach from some other country, all will be well. And there are always other people eager and anxious to encourage such thinking (or lack of thinking) and to assure us that there is indeed a royal road to development. Comrades, let us not endanger our future by putting our trust in luck, idle expectations or old wives' tales. Let us assume our responsibilities, do our own thinking, make our own decisions, and settle down to the strenuous work we all have to do to move our country forward.

In this endeavour, we will have to impose on ourselves, and enforce, a strict code of national discipline. Unless we are prepared to do that, all our efforts will come to naught. We will have to insist on an unqualified adherence to what I usually call the routine virtues — regular attendance at work, punctuality, courtesy, personal tidiness, prompt and methodical approach to assignments and things like that.

Moreover, we will have to demand of ourselves and our co-workers careful and meticulous work: shoddy, careless substandard work must not be acceptable.

We must insist on proper systems for managing, maintaining and protecting our machinery, plant, equipment, vehicles and similar assets. We cannot afford the indiscipline that leads to the misuse and ultimate destruction of these expensive assets so vitally necessary to our development. Unless our workers, management and non-management alike, discharge faithfully their duty to protect our national assets, the hope that we all share of a better life and steadily improving con-

ditions will be a vain and idle one. The public sector cannot afford to accommodate indisciplined employees and I am sure that private employers, also, will have no place for them. We are a serious people with important national goals to achieve. We have to demonstrate our seriousness at all times and particularly in our approach to our work.

I wish, at this point, to touch upon a matter of urgent national importance; that is, the utilisation of imported fuel. We all know that, we depend completely on external sources for our petroleum products. The single most important factor that has adversely affected our development and impeded the growth of our economy has been the cost of imported fuel. For example in 1970, we expended a mere 9 per cent of our total foreign exchange earnings on the purchase of fuel: in 1985 last year, our fuel imports absorbed some 50 per cent of those earnings. It almost appears as if we are working and producing in this country merely to buy fuel.

In current circumstances, we have to do something about this problem.

ORDER

Obviously, we need fuel for transport, manufacturing and other economic activities. It is vitally necessary, it is an important input. But we also need foreign exchange to pay for imports that are critical to our efforts to maintain public morale and reinvigorate our economy, imports other than fuel. We have no choice, at this time, but to manage the utilisation of this high-cost import with

the greatest possible efficiency. We will have to exercise the most rigorous discipline at individual, enterprise and national level.

Among the measures indicated must be a strict, but rational, policy of conservation. Manufacturers, motorists, householders and all other users of petroleum products will have to impose on themselves a severe restraint, avoid unnecessary use of energy, and become more efficiency conscious; and the nation as a whole will have to adjust to a lower overall consumption of imported fuel.

Comrades, I have been saying repeatedly in recent times that we have to move this nation forward. We can only do so if we are prepared to be sensible and disciplined. The reduction of our oil bill, in an absolute and relative sense is, an essential step in securing this objective.

I have been particularly concerned about indiscipline in the use of our streets by vehicle drivers and pedestrians. The incidence of road accidents, injury to persons and loss of life is unacceptably high. Many of the casualties are young people in whom we have invested large sums of money for their education and training. Our young people are our most valuable assets: we can ill afford to lose them. I have therefore instructed the Commissioner of Police to take the most vigorous enforcement and public education measures to restore order in the use of our streets. In the meantime, the excellent work which the Police Force has been doing, in co-operation with community policing groups, in containing crime and bringing criminals to justice will continue without any slackening of pace.

Comrades, discipline embraces, too, the careful and businesslike management of our Ministries, corporations and

agencies.

Within recent times, there have been far too many cases of fraud and other financial irregularities within Government Ministries and other public sector agencies. We have to halt this insidious development. Permanent Secretaries, other accounting officers, finance controllers and managers must tighten their financial procedures and exercise greater control over their agencies. If they cannot or will not do that, they are of no use to the system. Indeed, the process of retiring or otherwise sending off persons who have demonstrated a marked inability to discharge their responsibility for the efficient management of the finances under their control has already begun. Public sector employees are assured of tenure in their posts, but only if they perform their duties honestly and efficiently.

The proper management of our finances, at the national and enterprise level, is a basic requirement for the success of the wider objectives of stimulating business activity and generating growth in our economy.

I am very serious about reducing to manageable proportions, and eventually eliminating, the Central Government and public sector deficits. This objective having been set, the Government cannot accept and will not accept from public corporations levels of financial and other business performance that are, in all the circumstances, inadequate. Nor can Government, without special reasons, accept persistent deficits from them, unless their managers can demonstrate satisfactorily that their performance will improve within a reasonable time. Indeed, at least one such corporation has already been given a deadline of June 30 to satisfy the Government that it can achieve viability. If it cannot

do that, it will go to the wall. The first shot has been fired. A process has begun.

Comrades, we have to set our face sternly against waste, carelessness, irregularities, low standards, vandalism and all other manifestations of indiscipline in our society. We must deter the indiscipline by swift and appropriate sanctions: but that is not enough. We have to institute programmes for systematic training and education to inculcate the habit of discipline in our society until it becomes part of our culture.

PRIORITY

We will therefore be paying careful attention to our schools and our young children. The Ministry of Education for example, has mounted a comprehensive programme to improve the quality of behaviour, attitudes and performance in our schools. Among other things, the school inspectorate, which had been allowed to fall into desuetude, will be re-established; and the system of supervision will be strengthened.

The improvement of our educational system continues to be a matter on which the Government places a high priority. Development will not take place or be sustained unless we produce well-educated young people with the skills and motivation necessary for the task. Thus, in the course of this year, we will be launching the Global Manpower Project in collaboration with the Inter-American Development Bank, under which we will be spending some \$17 million to upgrade the staff of our University, technical institutes and other educational institutions and provide equipment and other facilities that are necessary to enable them to provide a wider range and higher quality of training for our young people.

In November last year, we established a Medical School at Turkeyen and began to train our own doctors right here in Guyana. This year, our training programme for medical personnel will be intensified and expanded. In collaboration with the University of Havana, we will be providing here in Guyana a graduate programme in internal medicine, surgery, obstetrics and gynaecology, and paediatrics. A special training programme for community health workers for coastal regions will be organised and the programme of preventive dental care will also be improved with the introduction of sealants and fluoride rinses specifically for our children in the age group 6-9 years. This year too the Ministry of Health, will be launching an ambitious programme to ensure that all of our children in Primary and Secondary Schools are immunised. And in the course of this year, too, we will begin the construction of the Referral Hospital in Georgetown.

Comrades, I have mentioned these matters for a particular reason. I want to emphasise and illustrate the point that while we will be paying special attention to manufacturing and industrial activities and questions of economic growth, this does not in any way imply that the Government will be reducing its commitment to improving the quality of life of our people, or relegating to a position of secondary importance improvements in the social sector. We adhere to the conviction that our development must be balanced and that investment in the social sector is as essential to development as outlays in directly productive activities.

For the Government the quality of life of the Guyanese people is a matter of great importance; for it

has far-reaching implications for their morale, well-being and productivity, and impacts heavily upon economic development. The Government will therefore be paying keen attention to this question in the course of this year and will be implementing programmes that have a bearing on it.

For example, the Ministry of Housing will be embarking upon a number of housing construction and land development schemes. It will be offering for sale to the tenants at nominal prices some 2 000 rental apartments and will be issuing individual transports to the owners of houses in schemes such as those at Melanie Damishana and Vryheid's Lust.

The Sewerage and Water Commissioners will be drilling, rehabilitating or otherwise upgrading five wells in Georgetown, thereby boosting the water supply by five million gallons per day and will be completing repairs to the Treatment Plant, thus ensuring that the water supply is of an acceptable quality.

The Guyana Electricity Corporation will begin a programme, co-financed by the Inter-American Development Bank, for complete rehabilitation of the Kingston, Garden of Eden, Onverwagt and Caneveld power stations and the New Amsterdam network also.

Government will also be improving the system of public transportation by the acquisition of a fleet of new buses and by expanding existing arrangements for private persons to become more fully involved in providing public transportation services.

These projects that I have mentioned are just illustrations of the Government's determination to remove irritants in our society and improve the

supply and reliability of basic services as part of its continuing programme to ensure a better quality of life.

It is appropriate at this time I believe Comrades that I should say something about our foreign policy. It is not in our interest to attempt to isolate or insulate ourselves from the rest of the world. Everything that has happened within recent decades has shown how interlinked the world is, and how policies pursued by one country can impact in incalculable ways upon the vital interests of other countries, including our own. We therefore will continue to pursue an active foreign policy.

I would like to take this opportunity to pay a special tribute to that small, dedicated band of Guyanese men and women who serve in our Missions overseas. The work that they do, in such quiet but effective ways, is crucial to the successful management of our foreign policy, and ultimately to the protection of our vital interests. Our Ambassadors and High Commissioners and their staff work under very difficult conditions. But notwithstanding this fact, they have continued to serve the people of Guyana with cheerfulness, enthusiasm, efficiency and loyalty. I salute them this evening, commend them for their invaluable work, and extend to them on my own and on the nation's behalf appreciation of, and profound gratitude for, their splendid efforts.

May I say also how grateful I am to those overseas-based Guyanese private citizens who, in so many tangible ways, demonstrate their continued loyalty and commitment to this land of their birth and who are always active in promoting its cause. I have been particularly heartened by the abundant evidence

and examples of their genuine support for Guyana. We are grateful to them for their faithfulness. We must maintain and strengthen our links with them, for these are extremely valuable. On the nation's behalf, I send to all of our overseas-Guyanese citizens our greetings, felicitations and sincere thanks for the service they have been rendering Guyana.

Comrades, our foreign policy remains firmly based on the principles of non-alignment, non-interference in the domestic affairs of others and a continuing desire for friendly relations with our neighbours, with countries in the wider hemisphere and, indeed, in the world. We continue, however, to abhor the abominable ideology and practice of apartheid in Southern Africa — a system that condemns millions of human beings to a status of permanent inferiority and misery on the basis of the colour of their skin. We can therefore, in the circumstances, have no relations with the Government of South Africa.

Our membership of Caricom and our relation with our sister Caricom states are important facets of our foreign policy. We continue to be strong in our commitment to the integration movement and in our desire to play our part fully. As an earnest of our seriousness, we recently sent a Trade Mission to several Caricom countries to explore the possibilities of expanding trade and deepening economic co-operation. I am happy to be able to report that the results of these visits have been extremely encouraging. The Trade Mission is but one of several initiatives we will be taking in the course of this year in fulfilment of our obligations as members of the Community.

Some years ago, we had withdrawn from membership of the Caribbean News Agency. I wish to announce that the Government will be rejoining the Agency with effect from 15th March, 1986.

I do believe Comrades that, notwithstanding the serious problems facing all

Caricom states, there is still a great deal that we can do among ourselves, and together, to expand intraregional trade, strengthen economic co-operation, and promote the objectives of Caricom. I reiterate Guyana's pledge to work faithfully towards this end.

Comrades, one of the goals we have set ourselves and towards which we have worked over the years with great energy and enthusiasm, is the goal of food self-sufficiency. There can be no doubt about the correctness of this goal or about the national importance of striving to achieve it. It is hardly necessary these days to argue the case for food security, and we can congratulate ourselves on the marked successes we have had in popularising local foods, in promoting a greater awareness of their nutritional value, and in stimulating extraordinary creativity, indeed ingenuity in the utilisation of local foods.

All these things are significant gains which we must jealously preserve. One of the most striking results of our policy of promoting the use of indigenous foods has been the massive increase in the production of ground provisions, plantains, green vegetables and other agricultural produce. As a result, farm incomes have been greatly enhanced and our farmers have assumed their rightful place in the society as persons of im-

portance and social worth. This is a good thing and desirable.

However, for a number of reasons which need not detain us at this moment, agricultural produce reaches the consumer at inordinately high prices. And most distressing is the phenomenon which is witnessed daily around our markets of vendors preferring to destroy agricultural produce rather than reduce prices.

Our economists and other technicians who have studied this matter have advised that the artificially high prices for agricultural produce are not unconnected with the availability in the system of substantial quantities of smuggled wheaten flour. On the basis of reports from all quarters, there is undoubtedly a strong demand for this commodity. The contrabandists are therefore able to exact extremely high prices for it — and citizens are willing to pay and have been paying those high prices. In the circumstances, middlemen who control agricultural produce quickly recognised and seized the opportunity to manipulate prices.

However, I do not believe that the housewife is interested in the subtleties and complexities of the reasons advanced by our economists and technicians. What concerns her is the fact that the price of plantains, cassava, yams, eddoes and other produce is extraordinarily high.

It is undeniable, too, that the smuggling of wheaten flour into the country has assumed extremely large proportions and has become a major business activity. It is not an innocent exercise; for, associated with it, is a wide trail of corruption of public officials and private persons both in Guyana and in those countries which are the sources of supply.

The argument has been advanced that in a relatively sophisticated society like ours, flour - and not "wheaten flour, but flour - becomes a staple and its unavailability results not merely in severe inconvenience, but in damage and loss to the economy.

In our quest for food self-sufficiency, we have been producing rice flour as a replacement for the imported staple; but it must be admitted that, for one reason or another, this production is very small in relation to traditional demand for flour. Indigenous flour is therefore not readily available on the shelves of our shops. And it will not be possible, on the basis of the advice available to me, for the volume of this production to be expanded sufficiently rapidly to satisfy even a reasonable proportion of traditional demand within the very near future.

In the circumstances, therefore, accepting that in our society flour has become a staple [in the sense of being a convenient form of food in great demand], I have agreed in principle to a proposal put to the Government by the owners of the National Milling Company to restart the production of wheaten flour in Guyana on the basis of their representation that a source of wheat could possibly become available without the Government being required to make any significant outlay of foreign exchange. The Government has therefore joined the mill owners in taking an initiative to try to obtain the wheat.

In announcing this decision Comrades, I wish to make two points clear: first, the Government itself has no foreign exchange with which to buy wheat: the reactivation of the flour mill, therefore, will depend upon the wheat becoming available from the source indicated by the owners; and, secondly, even if the wheat becomes available, the production of flour will not start tomorrow: it will take some time for the various arrangements to be put in place.

The Government's agreement in principle for the flour mill to be reactivated in no way implies a reversal of its settled policy on the development of indigenous flour or the use of indigenous foods. Indeed, that commitment remains as strong as ever and the work to develop our indigenous foods will be intensified. In the circumstances, therefore, the Institute of Applied Science and Technology has been directed to begin immediately the setting up of a research and development department to work full-time on designing the necessary techniques and programmes to enable us, in as short a time as practicable, to produce flour, of suitable quality and in adequate quantities from local crops to satisfy our national needs. Government will be providing in the 1986 Budget an allocation of one million dollars to fund the work of this department.

In addition, the Government will use the instrument of the price mechanism to ensure that farm incomes are not affected. It will also provide generous incentives to persons who are prepared to use indigenous flour and indigenous agricultural produce for the manufacture of food products; and special arrangements will be made to encourage, assist and protect those entrepreneurs who have been using indigenous flour in their manufacturing activities.

It is expected that once the flour mill begins to operate again, the contraband trade in wheaten flour will come to an end and the prices of agricultural produce will fall to reasonable levels without depressing farm incomes.

I will at a later stage speak to the nation more fully on this issue of flour.

Comrades, we have completed sixteen years of sustained and heroic endeavours, under the Republic, to develop our country and maintain its integrity in conditions that were for the most part difficult and at times, even hostile. We must now move forward.

I do not promise you that the road ahead will be smooth and easy. Indeed, I am sure that we will as in the past have to encounter many problems and confront many obstacles. But we have progressed to this stage of development because of the tough moral fibre and the fighting spirit which are the essential attributes of the Guyanese character. And I am certain that these same qualities will continue to serve us well and see us safely through in the years ahead.

We are not without good reason to be optimistic. Many major oil corporations have only a few days ago shown great interest in our hydro-carbon potential. The large gold companies doing exploration work in our country have been reporting positive and encouraging indications. Several Caricom entrepreneurs have been holding discussions with us within recent weeks about investing in our country; and our own businessmen have been very active in seeking to expand their operations. These are signs of vitality.

Yet, we have to bear in mind always that the prime movers in our development process must still be, the Guyanese people themselves. And, in recognizing this fact, our Constitution has imposed upon all of us an individual and collective duty of "sustained and disciplined endeavours" as the only means by which we can develop our country and create the prosperous society which we have set as our goal. Everything we do, in the months and years ahead, must be directed towards the achievement of that goal.

And so Comrades, on this great national occasion, it is right on the past years and take pride in our achievements--justifiable pride; but let us now turn to the future with confidence, with enthusiasm--and with our strength.

Citizens of Guyana, STAND UP FOR GUYANA!

Long live the indomitable spirit and the unbreakable will of the Guyanese people!

Long live the Co-operative Republic of Guyana!

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CSO: 3298/403

GUYANA

HOYTE DISCUSSES PRIVATE SECTOR POLICY, BURNHAM LEGACY

Pursuit of Burnham Goals

Georgetown NEW NATION in English 2 Mar 86 p 8

[Text]

LEADER of the People's National Congress and President of Guyana Desmond Hoyte, has said in an interview with the ACP-EEC magazine 'Courier' that he is pursuing the same goals as Founder Leader Forbes Burnham but his style will be different.

"I would be stupid to want to imitate the style of the Founder-Leader; that would be impossible" he stressed.

The interview is printed in the January-February issue of the magazine in a special section devoted to Guyana.

Speaking of the legacy left by the Founder-Leader, Cde Hoyte said: "He set us certain clear objectives which I believe have a national consensus. We want to build, in this country a humane society -- as self-reliant, democratic and prosperous. We've worked very hard to build the infrastructure which will enable us to achieve this objective.

"But he himself always said that while our objective never changes, the tactics and the strategies, of necessity, must change in response to objective reality.

"And so, while I'm pursuing the same goals - first of all my style will be different. I would be stupid to want to imitate the style of the Founder Leader; that would be impossible. He had a style of his own, which marked him, and I can't hope to emulate that style - and I wouldn't want to. I will have to have my own strategies and tactics to deal with the requirements of what I would call the next phase of development. I do believe that, with his passing, one era of our national life came to an end. That era was one of political institution-building. It was an era also, in which the political consciousness of our people was raised.

"As I put it in my address to the Supreme Congress of the People, it was a period in which we built the psychological and political infrastructure that was necessary to enable us to organise ourselves for the next phase of development which has to be predominantly economic".

Support for Private Sector

Georgetown NEW NATION in English 2 Mar 86 p 8

[Text]

THE PNC Government is kindly disposed to and supportive of the private sector and has given assurances that it is ready to do everything possible to help the private sector.

The *Courier* interviewer had asked Cde. Hoyte:

"What about the future of the private sector in Guyana? In past years there have been problems with confidence in the investment climate. What is the outlook now, as regards both domestic and foreign investment?"

ANSWER: "There has always been this rather superficial statement made by people — and even by some of our own private sector people. The fact of the matter is that up to about 1970, our private sector consisted mainly of traders. We tried to point out to them that there was really no future in this country, as I believe there is little future in most of the developing countries, for them if they merely remained importers and sellers of foreign goods.

"What we wanted the private sector to do was to get into manufacturing — particularly manufacturing which would be based on the use of local materials.

[TRAUMA]

"Obviously some people could not change. They were so wedded to the old ways, and we were asking them to do new things and that's always traumatic for most [people]."

"However, the second thing I want to point out is that prior to 1970, there was very low investment in this country. The people who had investments were the bauxite people, Alcan, and Bookers, the sugar

people. All this had nothing to do with any government of an independent Guyana. It had to do with colonial policy and the policies of Great Britain.

"So that Guyana came very late, in terms of CARICOM, even into manufacturing: Jamaica, Barbados, Trinidad have had a longer tradition of manufacturing than we have. Our private sector, our manufacturers, are really pretty late in the game.

[NEW BREED]

"However, a new breed of private businessmen has sprung up over the years — young, dynamic, enthusiastic people. We have given them all the encouragement which is required. We've had, for years, a regime of fiscal incentives, tax holidays, accelerated write-offs, the whole lot. But, of course, you don't just come into a new area and make a success of it overnight. It takes time.

"When I was Minister of Economic Development, I held monthly meetings with the representatives of the Chamber of Commerce and the Guyana Manufacturers' Association not only to encourage the private sector, not only to indicate to them that the government was serious about its support for the private sector, but to help them over the numerous hurdles they might have faced as they attempted to get on with their business. And I think we developed

an extraordinarily good relationship, and I would like to believe that that relationship continues today.

"During the period between 1970 and now, we have seen the emergence of various manufacturing concerns — some of them pretty large. Some of them have established industries which require a large proportion of foreign imports.

Because of the situation we are facing now — the foreign exchange stringency — it is very difficult for them to get raw materials to keep their industries going, so that some are working to

reduced capacity, some of them, I suspect, have had to close shop for the time being.

[MECHANISM]

"This emphasises the point we have been trying to make to them all the time, that they should try to establish industries which utilise large proportions of the local materials which we have in great abundance.

We have established an agency we call the Guyana Manufacturing and Industrial Development Agency, popularly known as GUYMIDA, with a specific mandate to be a kind of one-stop agency to which investors,

manufacturers and so on can go to get a package deal.

In the short period GUYMIDA has been in existence I think it is fair to say that it has done an extremely good job helping people to establish new activities and also in helping the established foreign investor to solve problems.

"They have done well in all areas. I would say that the private sector has a role in Guyana, firstly because the Constitution provides them with such a role.

Our constitution in effect recognises a trisectoral economy. Secondly, the government is kindly disposed to, and supportive of, the private sector and has given assurances that it is ready to do every thing possible

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CSO: 3298/403

GUYANA

FINANCE MINISTER GREENIDGE INTRODUCES 1986 BUDGET

Report on Presentation

Georgetown GUYANA CHRONICLE in English 1 Mar 86 pp 1,4

[Article by Colin King]

[Text] **PROPOSALS for the rapid development of the country's resources and for generating a four per cent economic growth this year, were tabled in the National Assembly yesterday as Finance Minister Carl Greenidge presented the 1986 Budget.**

Over \$1.9 billion in current and capital expenditure is proposed in the Budget which initiates a package of measures to accelerate economic growth and raise living standards.

Major thrusts identified for the economy include conservation of resources, promotion and diversification of productive activities in the private, public and co-operative sectors, and the reversal of the overall public corporations' deficit.

Consumption Taxes are to be applied or increased in a number of areas, while the price of sugar is being modestly increased and the price control on cigarettes lifted.

On the other hand, with immediate effect, pensions and gratuities are payable tax free, NIS benefits are being substantially increased and in some cases ex-

tended, and separate tax assessment will be introduced for working wives.

The 90-minute Budget presentation, the third by Cde. Greenidge, was broadcast live to the nation. The Assembly later adjourned to next Thursday, when debate on the proposals will begin.

The total proposed expenditure is made up of current expenditure of \$1.2 billion and capital expenditure of \$0.69 billion. Expenditure on the public debt will amount to \$452 million or 3.7 per cent more than the 1985 figure.

Central Government revenues are estimated at \$783 million about two per cent more than in 1985, an increase which is projected on the basis of more efficient collection rather than on changes in the tax structure.

Exports are expected to attain a level of \$1.2 billion,

just over ten per cent higher than in 1985, and some \$300 million short of the level of imports, projected at \$1.5 billion this year.

Fuel and lubricants are expected to account for about 28 per cent of the import bill.

The Gross Domestic Product, at current factor cost, is projected at a level of \$1.8 billion, or 13.8 per cent over the 1985 level, "representing another year of real growth of an order slightly in excess of four per cent," the Finance Minister told the Assembly.

Speaking in detail on the general economic policy to be pursued this year, Cde. Greenidge said the development programme will have five areas of focus:

- conservation aimed at reducing waste in such areas as energy, human resources and national assets;
- institutional arrangements, including general incentives for the private sector, aimed at promoting

- productive activities;
- mounting of a productive drive;
 - mobilisation of national savings, particularly through greater emphasis on investment in medium and long-term securities; and
 - measures to alleviate the plight of the lowest paid.

"The primary task of the economy in 1986 is to draw on all areas: private and public, local and foreign, physical and institutional, in a bid to sustain the level of economic growth and development," Cde. Greenidge emphasised.

To achieve this objective, he reiterated, there is need to:

- display greater efficiency in the utilisation of resources;
- foster the upgrading of human skills and initiative;
- support production by financial and other incentives; and,
- ensure greater application of technology to the production process.

This year, Cde. Greenidge said, has found us so far with both difficult choices and very hopeful signs.

"The difficult circumstances can be overcome with a resolute commitment to conservation and innovative entrepreneurship..." he told the Assembly. —(GNA)

Sugar Industry Program

Georgetown GUYANA CHRONICLE in English 1 Mar 86 pp 1,4

[Text]

A MANY-SIDED approach to dealing with problems of the sugar industry will be pursued by the Guyana Government this year. Among other things, the programme will involve the closure of one factory this year and the upgrading of another.

In his Budget presentation yesterday, Finance Minister Carl Greenidge listed the broad approaches as the rationalisation of sugar production, diversification of both the industry's

"output mix" and land use and the financial restructuring of the Guyana Sugar Corporation.

Sugar, Cde. Greenidge noted, continues to be Guyana's largest net foreign exchange earner. He added, however, that the recent loss of 100 000 tons of its sugar quota has completely changed the marketing outlook for Guyana's sugar and has given rise to the need for consequential adjustments.

Guysuco, Cde. Greenidge told the National Assembly, will terminate cultivation of sugar cane on marginal and uneconomic lands to improve yields and reduce the unit cost of production.

In keeping with this exercise, the existing acreages under cane will be reduced from 120 000 acres to 105 000 acres by the end of 1986, and to 95 000 acres by the end of 1987, by which time the average production should stand at 250 000.

In addition, the Leonora factory will be closed by the end of this year. But the Uitvlugt factory will be upgraded to accommodate the throughput of the Leonora factory. Consideration will also be given to the closure of a second factory "within the East Demerara triangle" by the end of 1987.

The Finance Minister noted that it is perhaps fortunate that in the same period when market opportunities in sugar have been shrinking, the opportunities to diversify have been multiplying.

Guysuco, he said, will therefore seek to diversify both its "output mix" and land use. Such diversification must be technologically feasible, commercially viable, have a short gestation period and must be within the limits of the country's scarce financial resources.

In the light of this requirement, the following seven areas are under close examination:

- Generation of energy from surplus bagasse;
- Increasing dairy operations at Rose Hall and Uitvlugt estates to economically viable sizes;
- The feasibility of producing wet ethanol (hydrated) from molasses;

- The utilisation of ensiled cane and hydrated bagasse in combination with urea and molasses as feed supplement for cattle;
- The fermentation of molasses to manufacture protein and yeasts which can be used as a component for animal feeds;
- The chemical combination of sugar with oils and fats to produce surfactants which could be used as biodegradable industry detergents and in food processing;
- The direct utilisation of sugar as a sweetener in the manufacture of fruit juices, jams and confectionery.

The Government hopes to receive funds for these projects from the EEC and the IDB and the Danes have already expressed an interest in the dairy operations.

These proposals, "when taken together," are not expected to adversely impact on the industry's level of employment, Cde.

Greenidge explained.

Meanwhile, in the case of proposals for the financial restructuring of Guysuco, Government has decided to increase its participation in the company by \$225 million and to convert a loan to the Corporation of \$114 million to convertible two per cent debentures redeemable in 15 years.

These measures, together with a seven cents per pound increase in the price of sugar on the domestic market, and the institution of certain efficiencies in production, should see the Corporation breaking even in 1987.

Relief Measures

Georgetown GUYANA CHRONICLE in English 1 Mar 86 pp 1,4

[Text] MEASURES announced in the 1986 Budget presentation yesterday will bring considerable relief to workers and pensioners, while others will generate some increased revenue for the State.

Some amount of foreign exchange is likely to be earned as a result of two of the measures announced by Finance Minister Cde. Carl Greenidge as he laid the

Budget proposals before the National Assembly.

Among the relief measures are:

- the tax free payment of pensions and gratuities, with immediate effect;
- removal of the ceiling on National Insurance maternity benefits from 13 to 26 weeks;
- increase in NIS injury benefits from 60 to 70 per cent of insurable earnings;
- increase in NIS old-age pensions by four to fifty per cent, with such payments no longer precluding payment of disablement pension;
- doubling of NIS funeral benefit from \$400 to \$800;
- payment of maternity benefit to the husband on the wife's confinement, providing she is not a contributor to the Scheme; and
- through amendments to the Income Tax laws this year, separate tax assessment for working wives.

At the same time, in one of a packet of measures proposed by Government to improve the financial position of the Guyana Sugar Corporation, consumers are being asked to pay a modest seven-cent-per-pound increase in the price of sugar.

And, the price control governing the sale of cigarettes has been lifted.

A major fiscal measure

announced requires that all visitors who need visas to enter the country meet their hotel bills in hard currency.

Some foreign exchange will also be earned through an impost, payable in the country of origin, on barrels and parcels entering Guyana.

Domestically, Consumption Tax on semi-luxury and luxury items are being increased by five per cent, to 30 per cent and 50 per cent respectively. Legislation is also to be laid in the Assembly for the collection of Consumption Tax on hotels and restaurants.

In addition to the specific relief measures announced, Cde. Greenidge noted the conclusion of pay increase arrangements with the TUC for 1985 and 1986, and looked forward to the TUC's participation and support in completing the 1987 wage discussions by October-November 1986.

And he stressed that it is "obligatory on all public sector managers in 1986 to ensure the timely formulation and implementation of Appraisal Systems and Incentive Schemes."

Georgetown GUYANA CHRONICLE in English 1 Mar 86 p 1

[Text]

THE Guyana Government intends to award some \$300 000 in prizes as incentives to firms in the private sector, Finance Minister Carl Greenidge announced yesterday in his 1986 Budget speech in the National Assembly.

Prizes will be awarded to the three enterprises [in each of six categories] contributing in any year:

- the greatest increase in net foreign exchange earnings;
- the greatest decrease in imports;
- the greatest increase in employees;
- the greatest impact on new markets or existing markets;
- the greatest dynamism to small business activity; and
- the greatest contribution to new product development and/or transfer of technology.

The recommendation that prizes be awarded was made by the President's Advisory Committee on the Private Sector and the \$300 000 in the arrangement

will go to 18 winners. The awards will consist of both cash and trophies and will range in value from \$5 000 to \$50 000, tax-free.

In his Budget speech, Cde. Greenidge said the private sector in Guyana has both strengths and weaknesses, and that during the next three to five years, Government proposes to implement policies that will build on the strengths of this sector and strengthen those industries in need of specific or general assistance.

Two areas of continuing concern in relation to the private sector are the fiscal incentive legislation and the arrangements for implementation of the legislation, Cde. Greenidge explained.

The existing fiscal incentives which include a five-year tax holiday in the first instance, the carrying forward of net losses, initial allowances, import duty exemptions and subsidised land, are less than adequate, and the Government proposes to review their level and structure this year, he added.

"It is necessary to recognise the need to encourage private initiative and innovation in the private sector, particularly those involved in exports," Cde. Greenidge stressed. (GNA)

GUYANA

DETAILS OF REORGANIZATION OF CUSTOMS DEPARTMENT REPORTED

Georgetown GUYANA CHRONICLE in English 15 Feb 86 pp 1, 4

[Article by Colin King]

[Text] The Customs and Excise Department is making considerable progress with new measures to increase its revenue collection and to more effectively protect the country's resources.

New branches of the Department have been established in a recent reorganization, staffing is being streamlined and upgraded, and much-needed equipment is expected this year.

"We were not as effective as we might have been", Comptroller of Customs Cde Paul Burnette said Thursday, while outlining the measures already taken and others to come. The Comptroller and other senior Customs officers were speaking in an interview at the new Customs building on Main Street.

Customs procedures and systems used in recent years were developed 20 to 30 years ago, and are now thought not adequate for today's conditions.

"We remained static," Code Burnette said, while methods of doing business have been constantly developing in the commercial world.

Based on plans drawn up some four years ago, the Customs and Excise Department has now moved to correct this situation. A Planning and Research branch to help the Department keep up-to-date and an Inspectorate and Audit branch were established.

Systems and procedures within the Department were revised and staff was reduced from the 397 officers in 1980 to 267 by 1982. After these changes, the Comptroller said, "We became more efficient and effective, as is indicated by our intake of revenue."

In 1980 the Department collected \$165 million, and the 1985 collection reached approximately \$306 million.

The reorganisation and revision of systems and procedures within the Department, however, represent only one prong of the planned three-pronged approach. Training of personnel and the introduction of a variety of equipment are the other aspects.

Training has been stepped up in the past two years, with the opening of an in-house "Customs Academy." This academy is continually expanding its role in keeping with the demands of the development of the Department.

Newly-recruited staff attend classes for half the day and are exposed to practical work the other half. Other employees learn all aspects of Customs and Excise in after-hour classes.

A 90 per cent grade is the minimum passing grade for either acceptance or promotions.

Personnel development "has been the greatest challenge" of the Department's efforts.

The Department, having considerable authority to inspect and impound goods, among other things, is open to allegations of malpractices, Cde Burnette noted. The Department is therefore greatly interested in the quality of the officers it puts out.

As an indication of the trend it has taken in its personnel policy, some 18 officers have been released in the past year, for malpractices.

New officers are given a Code of Conduct, including guidelines for dress, relations with the public, and other information to help mould the entrant into "what we think a Customs Officer ought to be," Burnette said.

Smuggling attracts a significant amount of the attention of the Department, and is one of the major areas of focus in the new initiatives.

"I feel we're losing about \$15 to \$20 million per year in revenue through smuggling...We're losing more than through the loss of foreign exchange earnings," the Comptroller said.

To date, the Department has been hampered in anti-smuggling operations, because it has had little means of "interdicting" smugglers, or stopping cargo before it lands and gets into the stream of commerce.

"We expect that sometime before the end of this year we will have the tools to do the job," Burnette said.

Vehicles, communications apparatus and a patrol boat, likely to cost some half a million (US) dollars, are among the equipment expected.

The recent reorganisation has seen the establishment of a separate anti-smuggling 'Patrol Branch' within the Department, and the special training branch has recently started training of patrol officers to pursue anti-smuggling activities.

The equipment and the men being trained, some 100 by the end of June, will address the "preventive aspects" of the revenue and resource protection drive.

Training of an initial batch of 30 patrol officers, is being conducted over three months. One month is spent at the Customs Academy, one month with the Police Force for training that the Academy cannot now provide, and the remaining month in on-the-job training.

With the equipment and patrol staff, Customs officials estimate smuggling could be reduced by 80 to 90 per cent in four months, with over \$10M more in revenue per year being collected. "There's no difficulty in the patrol boat paying for itself in a matter of months," Cde Burnette observed.

/12828

CSO: 3298/403

GUYANA

BRIEFS

ARMS, AMMO SEIZURE--Police commissioner Balram Raghubir yesterday disclosed that four firearms, ammunition, and other stolen property were recovered by the Police over the past 24 hours. A release from Police Headquarters, Eve Leary, said a Police patrol Wednesday found Mohamed Zamolodeen of Crabwood Creek and Shamid Alli of No. 78 Village, Corentyne, in a boat off the Annandale foreshore with a 22 German revolver and six rounds of ammunition. They have been charged with unlawful possession of firearm and ammunition. [Excerpt] [Georgetown GUYANA CHRONICLE in English 14 Feb 86 p 1]/12828

REPLY TO BISHOP--President Desmond Hoyte received a cablegram from a person describing himself as the Most Reverent Adolphe Proulx, Bishop of Gatineau-Hull, Co-president Human Rights Committee, Canadian Conference of Catholic Bishops, on the subject of the Jesuit Priest Patrick Connors. The text of the cablegram is as follows: "Informed of expulsion order extended to Father Connors, we wish to protest your Government decision. This decision seems to us a violation of his basic human rights. We would appreciate a change in your Governmetn attitude towards the churches and human rights organisation." The Ministry of Information has replied to that cablegram. The text of the cablegram reads: "Your undated cablegram to President Desmond Hoyte in connection with the Jesuit Priest connors has been passed to this Ministry for attention in accordance with the Governmental procedures stop I wish to advise that the authorities reject your cablegram as being araant nonsense stop. [Text] [Georgetown GUYANA CHRONICLE in English 15 Feb 86 p 1]/12828

ENVOY TO CANADA--NARD, C.C.H. will shortly assume duty as Guyana's new High Commissioner to Canada, the Ministry of Foreign Affairs announced yesterday. Cde F. A. Lawrence has been acting as Guyana's High Commissioner to Canada. Cde Kennard, 66, has had a distinguished public service career, and has held senior posts in a number of local and international organisations. Cde Kennard served as Minister of Agriculture from 1974 to 1981 and his last office was that of Agricultural Adviser to the President. He was awarded the Cacique Crown of Honour (C.C.H.) in 1973 for Public Service of an Exceptionally High Quality. Cde. Kennard has served as Chairman of the Caribbean Agricultural Research and Development Institute (CARDI) (from 1983) and as a member of the panel of concilaters of the International Centre for the Settlement of Investment Disputes (from 1981). Born July 8, 1920, Cde Kennard gained a British Guiana Government Scholarship to the Imperial College for Tropical Agriculture in 1938 where he obtained both the diploma (DICTA)

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and associateship (AICTA) from that institution. He later pursued studies and research at the London School of Economics, Michigan State University, Purdue University and the University of Tennessee. Cde Kennard will leave Guyana tomorrow for Canada to take up his new appointment. [Text] [Georgetown GUYANA CHRONICLE in English 27 Feb 86 pp 1, 5]/12828

PNC APPOINTMENT--Senior Minister of Manpower, Housing and Environment, Cde. Jeffrey Thomas, has been appointed a member of the Central Executive Committee of the People's National Congress. His appointment took effect from Thursday. [Text] [Georgetown NEW NATION in English 23 Feb 86 p 1] /12828

CSO: 3298/403

JAMAICA

SEAGA ORDERS CLOSER CUSTOMS INSPECTION OF CONTAINERS

Kingston THE DAILY GLEANER in English 22 Mar 86 p 2

[Text] Prime Minister Edward Seaga has instructed the Customs and Excise Department of the Revenue Board to immediately institute a more effective monitoring system for all containers entering Port Bustamante in an effort to reduce illicit imports and smuggling.

The order was given during a meeting with the Jamaica Chamber of Commerce at Jamaica

House on Tuesday which was called to deal with problems being experienced by the Chamber and the private sector, according to a Jampress release. The meeting was attended by Minister of State for Industry and Commerce, the Hon. Karl Samuda, representatives of the Revenue Board and the Bank of Jamaica.

Mr. Seaga told the delegation that Government was reviewing "the multitude of duties and different rates" at the various ports of entry

with a view to reducing the number which at present was about 14.

He reminded the gathering that the system of taxes and stamp duties was now being looked at as part of the overall system of tax reform which would continue to be dealt with during the course of this financial year.

On the question of the auction system and hire purchase terms, the Prime Minister reminded the JCoFC's delegation that in order to maintain a stable rate of exchange and curb the serious foreign exchange crisis, Government had to impose tight credit and monetary measures.

He said this would enable the Government to remove the system of licensing which previously hampered the business community with an excess of bureaucracy.

Chamber president Bruce Rickards expressed appreciation to the Prime Minister for the opportunity to air their problems.

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CSO: 3298/399

JAMAICA

COLUMNIST, JLP DISPUTE RESPONSIBILITY FOR POLITICAL VIOLENCE

Stone on PNP-Rally Aftermath

Kingston THE DAILY GLEANER in English 17 Mar 86 p 8

[Text]

For the second time, a massive, PNP organised anti-government rally has been followed by the unleashing of organised thugs who have attacked, mugged, robbed and terrorised citizens, especially women.

Neither the police high command nor the PNP has been able to identify these thugs. Nor has a single person been arrested, although eye witness accounts from victims and witnesses suggest that there were large numbers of them travelling in packs and attacking just about everyone who fell in their path.

The JLP has been eager to use the incident to tell us that its a reminder of the 1970's, when according to them, the PNP unleashed terror on the society.

The PNP on the other hand has contended that several of its prominent leaders were themselves robbed and attacked, although the party has not suggested that the thugs were hired by the JLP.

As citizens of this country we must view these two incidents of lawlessness with great alarm and especially the total failure of the security forces to deal with the matter.

Some speculation is that the marauders were part of the PNP demonstration who merely seized the opportunity to rob.

Victims

At least 5 persons I have spoken to who were either victims or eye witnesses suggest that the thugs came from locations and directions that were far removed from the main body of demonstrators and were not likely to have had any connection with the PNP crowd. The bits and pieces of evidence suggest that the thugs were highly organised and determined to create a climate of fear and terror. Men were chased and stabbed for motives unrelated to robbery. Women were singled out for vicious acts of robbery.

Even before these post-demonstration attacks, two motorists claim to have been followed by cars with suspicious looking men on their way home from the PNP rally. It's as if someone was determined to telegraph a message that presence at a PNP rally was a risky business.

Political statement

A political statement was being made here and the story on the street is that the thugs were paid to commit these acts.

In the absence of supporting evidence it would be irresponsible to point any finger of blame.

What is clear is that someone, somewhere organised these thugs to score points against Mr. Manley's PNP.

The JLP is quite right that the incidents are reminiscent of the 1970's violence. The only problem I have with that is that my information suggests that an appreciable portion of that 1970's violence was instigated by JLP interests intent on fomenting disorder to embarrass the PNP. The PNP, of course, was by no means innocent of instigating violence in the 1970's. But in many situations JLP organised forces were the initiators of terrorism in the 1970's and that Party ought not to now pretend that its hands were clean.

The link

Our Minister of Security has constantly been pointing to the link between terrorist activity and politics. But is he perhaps blind to the prospect of interests determined to keep Mr. Seaga in power hiring thugs to make a political statement supportive of that objective?

The PNP cannot escape some responsibility. After the BOJ thuggery the last time that party ought to have had a better security alert to detect and mobilise police response to a repeat performance.

The police have yet to assure us that the first incident was properly investigated to discover who was behind it. Secondly, the police must be chastised for not being able to detect what was happening and not having been able to mobilise its forces to apprehend and deter the thugs. The latter were on the street long enough for counter-action by the police to have caught and cornered several of them.

Caught flat-footed

The police were obviously intent on watching the PNP demonstrators and guarding against any possible PNP attacks on Jamaica House. That concentrated effort made it easy for thugs unconnected with the main body of demonstrators to unleash

terror in areas close by without any police detection. Had the marauders emerged from the PNP crowd the police would have easily tracked their movements. The fact that they evaded the police's eye provides further support for the idea that the thugs emerged from locations disconnected from the PNP crowd.

Both the police and PNP were caught flat-footed.

No PNP persons are likely to attack the likes of Dr. McNeill and his wife or Mr. Fred Rattray. The highly organised character of the marauders questions the idea that they were opportunist criminals in the PNP crowd simply seeking to rob some jewellery. Grab thieves will rip off chains and watches but they usually do not chase people to cut them and beat in situations where there is nothing to rob.

Dirty tricks

These incidents read like pages straight out of a political dirty tricks manual and are not the random acts of desperate thieves seeking merely to rob.

The JLP leadership is so thoroughly overjoyed at the evident embarrassment of the PNP and the opportunity to score political points that one wonders whether their administration has any interest or motivation in uncovering the full truth behind these incidents.

The people of this country have suffered from the use of security management to play politics. It happened under the PNP and it's happening again.

It is a serious sign of the paralysis and failure of our security management that over thirty reported acts of violence and over 50 actual occurrences can happen within a short distance of a major political rally and the police were so paralysed that not one suspect has been apprehended.

The day must come in this country when management of the police is fully removed from the hands of politicians because political management of security has allowed so many crimes to go undetected and has permitted terrorism of the right and the left to flourish.

Stages

The 1970's violence went through several stages. The first round was one of the JLP using armed thugs to destabilise the PNP's popularity prior to the 1976 election.

In the second stage the PNP organised retaliation but mainly as defensive responses. In the third wave both were on the offensive and pushed the country on the verge of civil war.

The PNP leadership is now being as naïve as they were before 1976 where their people were blown off the streets by JLP guns. And if they continue in that manner they are going to be clobbered by fascist interests intent on keeping them out of power.

The country cannot feel comfortable after the evident paralysis of the police in responding to this organised thuggery.

The police high command had better pull up its socks.

This thuggery must never be allowed to happen again. The country must be assured that steps are being taken to get at the root of the forces behind it.

JLP Chairman's Response

Kingston THE DAILY GLEANER in English 20 Mar 86 p 8

[Text]

The Editor, Sir:

The clever but not too subtle attempt by Carl Stone in his column of March 17 to exonerate PNP supporters from culpability for the reign of terror and thuggery which accompanied the recent PNP demonstration unveils, more than anything else he has written to date, his firm anti-JLP posture and his continuing attempts to discredit the JLP.

So too does his disgusting suggestion that the political violence of the seventies was initiated by the JLP and that PNP violence was merely a retaliatory response. Was Carl Stone in Jamaica in the seventies? Was he here last week when PNP thuggery took charge of a large section of the Corporate Area?

How does Carl Stone explain the large pro-JLP refugee communities in places like Wynters Pen, St. Johns Road, McCooks Pen, Naggo Head, Central Village, and Christian Pen in St. Catherine and Bull Bay in St. Andrew which suddenly mushroomed in the seventies as a result of PNP violence which drove them out of their homes in Lower St. Andrew? Can he think of any comparable pro-PNP refugee communities?

For what motive other than partisan political mischief would Stone use the Gleaner's columns to peddle the discreditable notion that all the persons who participated in the PNP march were sincere innocents with no capacity or propensity for violence and that the violence and plundering which took place were:—

(a) "organised to score points against Mr. Manley's PNP";

(b) carried out by thugs "paid to commit these acts";

(c) caught the PNP "flat-footed"?

Not even the PNP has been brazen enough to suggest that the violence was the work of JLP supporters yet Stone makes this ludicrous assertion with such authority and authenticity.

Is Stone not in the least concerned about preserving a little of the credibility which his partisan commentaries have so severely eroded?

Will he run true to form and accuse me of singling him out for

attack as he has done before simply because I dare to refute his malicious arguments? Does he expect the JLP to continue to remain silent when he makes scurrilous attacks and snide insinuations against the Party? Why? Because he is Carl Stone?

Stone can rest assured that we respect his unquestionable right to express his views however biased he may be but, equally, we maintain our right to lay bare the malice of his conduct.

I am, etc.
BRUCE GOLDING
Chairman

JLP,
P.O. Box 536,
Kgn 5.
March 17, 1986.

Stone Reply to Golding

Kingston THE DAILY GLEANER in English 24 Mar 86 p 8

[Article by Carl Stone]

[Text]

In my column on Monday March 17th, I suggested that the wave of terror that followed the PNP vigil could well have been organised to score points against the PNP.

That suggestion was based on three sets of facts. Firstly, some of the persons I spoke to who were either victims or spectators expressed doubts that the gangs of 50 to 60 men they saw armed with knives did in fact emerge from the PNP march. One suggested that a group appeared to have come from Belmont Road. Another that one group she saw seemed to have emerged from the NHC housing site on Lady Musgrave Road.

Secondly, several prominent PNP persons, well-known to the public, were either robbed, harassed or narrowly escaped harassment. Mr. Manley's wife and his young son for example narrowly escaped violence

at the hands of a band of some 50 thugs on Trafalgar Road. When she saw them approaching menacingly she quickly locked up the car windows and secured the door locks just in time. That did not prevent them from pounding on the car windows. The fact that Dr. Mary Seivright and the McNeil's are numbered among the victims also caused one to wonder as to whether these acts of terrorism were committed by PNP partisans.

Thirdly, although there were some small groups of three or four robbers stealing jewellery and handbags, the eyewitness accounts identified the large packs of 50 to 60 young men armed with sticks and knives. This suggested a measure of organisation as grab thieves do not usually travel in such large groups.

Dirty tricks

Although I wrote out that there was no hard evidence pointing the finger of blame at any known organisation, I ventured the speculation that the violence had the appearance of an organised dirty tricks effort to discredit the PNP.

JLP Chairman Bruce Golding obviously believes that his party has a monopoly on dirty tricks designs on the PNP as only such an assumption could have led him to accuse me of pointing the finger of blame at his party when I was careful to avoid doing that.

But there is an old saying that the guilty often flee when no man pursueth. Bruce's hysterical response to my column and his stampede to put on the hat of the accused and to utter a shrill plea of innocence could well cause many readers to believe that his party knows something about this matter.

I don't have any evidence implicating the JLP and continue to have an open mind as to who was behind the violence. But I remain sceptical of the view that the bands of 50 and 60 armed thugs were spontaneous formations who broke away from the PNP march to Jamaica House.

An interesting pattern emerges from the police data on the victims who reported being robbed or attacked. 20 out of the reported 32 cases of violence took place in the vicinity of Trafalgar Road. Two of my informants identified that pattern as consistent with their view that the thugs emerged from points far to the south of the PNP march.

I wonder if Bruce or JLP apologist Ulric Simmonds would care to offer an explanation for the attempted attack on Beverly Manley?

Mr. Golding was also upset about my contention that the JLP initiated an appreciable part of the 1970's political violence and especially in the period leading up to the 1976 election.

I made the point to refute the JLP propaganda line that gives the false impression that the violence of the 1970's was entirely a reflection of the PNP visiting left wing terror on the society.

As part of my research on the 1976 election campaign I had carefully studied reported incidents of political violence in that period. One fact that is well documented in *Gleaner* reports of the period was the reign of terror directed at PNP youth leaders and youth clubs in the Corporate Area. That wave of vio-

lence was part of the period I referred to when the JLP was taking the offensive in most of the incidents of Corporate Area violence.

Election violence

Indeed, in an academic article on the 1976 election published in the November 1977 issue of the *U.K. Journal of Commonwealth and Comparative Politics*, I concluded as follows on the subject of election violence:

"While both parties used violence, the general pattern was one of the JLP on the offensive and the PNP acting in defence in most situations of planned as distinct from spontaneous violence. Both parties had supporting gangs of youths, some in cars or on motor-cycles, and some on foot who terrorised opposing activists, controlled political territory and generally acted as a reserve force backing up the non-violent campaign arm of the parties."

My comments are not designed to exonerate the PNP as Golding implies (because I also accuse the PNP of initiating violence) but to set the record straight as regards the shared responsibility by both parties for the violence of the 1970's and to refute the current JLP propaganda which suggests that its hands were clean in the seventies. 80% of voters supported the 1976 State of Emergency because they felt that the JLP was involved in the dirty tricks at that time.

Is Bruce really serious when he tries to refute that claim by merely citing instances of PNP atrocities? For every PNP atrocity a matching JLP atrocity can be cited.

Political tendencies

Golding accuses me of being anti-JLP. I frankly am not sure what he means by that. There are three main political tendencies in this country. Some citizens are die-hard PNP supporters. Some are die-hard JLP supporters. Many, like myself, vote according to the issues and how we assess the rival leadership quality and not according to fixed party loyalties.

Many of the issue voters like myself have been infected with feelings of disgust towards many aspects

of JLP policies and especially over the arrogant management style of the JLP government.

Those sentiments are strongly echoed in my columns and I make no apologies for them in much the same way that I echoed similar sentiments about the PNP in the period leading up to its election defeat in 1980. At that time PNP spokesmen also accused me of being anti-PNP. Welcome to the club, Mr. Golding. Golding may well have enhanced my readership by accusing me of being anti-JLP as the most widespread political virus in every parish of Jamaica at this time is a virulent and highly infectious strain of anti-Seaga fever.

Indeed precisely because I have been objective, I get many letters from readers who accuse me of being soft on the JLP especially when I criticise critics of the government (such as the JTA leadership) or give some praise to Mr. Seaga for having cleaned up the streets of Kingston.

The fact that the JLP is unlikely to get my vote in the next elections and that the only choice I face is one of not voting (if I think the PNP is not ready) or voting for Mr. Manley's PNP has not affected my objectivity in making comments based on how the evidence looks and in not being concerned about who likes or does not like my commentary.

In my column I had also asked some questions about the role of the police in dealing with the post-vigil violence.

It is somewhat re-assuring to know that three persons have been arrested. Secondly, it is also reassuring to know that the police had in fact made preparations for surveillance of areas round the march in anticipation of post-vigil violence.

The police, however, underestimated the magnitude of the task. No aerial surveillance by helicopter was done to keep track of crowd movements and to permit rapid deployment of police to trouble spots. The likely traffic jam caused by the march did not enter into the police's forward planning and there was no adequate foot patrol deployed to deter would-be robbers in a situation where the traffic jam immobilised police vehicles.

The situation was further complicated by the spontaneous crowd that threatened to invade Jamaica House after Mr. Manley left as this tied down the police there for far longer than they had planned thereby reducing their mobility to respond to the roving bands of thugs in the street.

There is a larger issue here than the question who did it. It must not be allowed to happen again.

I have every confidence in the integrity of Commissioner Ricketts but I have no confidence in JLP leaders who ignore the serious security aspects of the incident and are entirely pre-occupied with scoring propaganda points.

The people who organised this PNP march need to re-think whether they have the means to ensure security in such huge marches and whether they ought not to limit their mobilisation to just having a mass meeting.

Kingston THE DAILY GLEANER in English 31 Mar 86 p 8

[Text] THE EDITOR, Sir:-

Your columnist, Dr. Carl Stone, has the rather nasty tendency of abandoning the scholar he was trained to be and is, perhaps, to take the role of the Jamaican-bred tracer of "Mother Long Tongue", that he is, perhaps, whenever anyone questions any article of his.

In his column of today's date, he gratuitously brought me into his reply to Mr. Bruce Golding's letter about the robbery and violence that was the aftermath of the recent People's National Party vigil by way of replying to my own comments published last Saturday. In my comments, I approached the matter from a documented scientific view of the behaviour of people in mass protest demonstrations, which, inevitably, carry with them the seeds of violence and general mayhem.

Departing from scholarship, Dr. Stone has attacked my credibility as a journalist by referring to me as a JLP apologist which leaves me no option but to return the compliment and attack his own credibility by describing him as a PNP propagandist.

The difference between us is that over forty years of writing, I have always unswervingly expressed my personal convictions in support of the free individual as against state-control. On the other hand, Dr. Stone masquerades as an uncommitted commentator, and while he

has no basis for terming me a JLP apologist when I write as "Ulric Simmonds", I am on surer ground in describing him as a PNP propagandist.

The fact is that Dr. Stone started as a columnist writing in the *Gleaner* as "Petras" — which is to say, stone — because he was selected to do so by the People's National Party. He did this because the PNP, worried by the views expressed by other columnists at that time of a previous JLP Government asked the *Gleaner* to publish a columnist who would express their views and the *Gleaner* traditionally willing to give publicity to every type of diverse views and opinions, paid him to express those PNP views.

Somewhere along the way, he abandoned the name "Petras", no doubt because it clouded his ego, and began writing as Dr. Carl Stone. It is my view that a change of pen-name does not connote a change of purpose and intention, and to read his articles over the past few years would lead anyone to believe that Dr. Stone has not abandoned the role he was selected to fill when he began writing as "Petras" — that is to propagandize wholeheartedly for the People's National Party. I am a firm believer in the truism that leopards cannot change their spots.

I am, etc.,

ULRIC SIMMONDS

P.O. Box 25,
Kingston 8.
March 24, 1986.

Slaughter on Logic

THE EDITOR, Sir:—

I note with interest Dr. Carl Stone's vehement effort of trying to prove that the atrocities which followed in the wake of the P.N.P.'s all-night vigil and march of Monday, March 10, 1986, were perpetrated by people other than P.N.P. supporters. It is difficult to remember reading an article of Dr. Stone's laced with more fallacy than this one. It grieves me to know that an intellect of his calibre is allowed to get away with such slaughter of logic. But then, when one tries to defend the P.N.P. one can't help being illogical.

The professor seems to base his argument on his interview with "5 persons who are either victims or eyewitnesses who suggested that the thugs came from locations and directions that were far removed from the main body of demonstrators and were not likely to have had any connection to the P.N.P. crowd." It's a pity the exact location and time was not given so that independent analysts could determine if these directions and locations were indeed far removed. News reports stated that robberies took place along Hope Road, Lady Musgrave Road and Trafalgar Road after the crowd had dispersed. These were logical routes for people in the crowd leaving from Jamaica House to take, there is nothing far removed about that.

The Professor was most ridiculous when, after stating that "In the absence of supporting evidence it would be irresponsible to point any finger of blame." Yet in the next paragraph, without any supporting evidence, the Professor arrived at a clear conclusion: "What is clear is that someone somewhere organises these thugs to score points against Mr. Manley's P.N.P." Talk about begging the question!!

The area which would have explained the whole situation to the poor Professor was scantily dealt with by him; but obviously he was not seeking after the truth. Here I quote, "The P.N.P. cannot escape some responsibility. After the B.O.J. thuggery the last time, the party ought to have had better security alert to detect and mobilise police response to a repeat performance."

The second reign of terror was clearly an improvement on the first. Therefore, if we can establish the basis for the first, we can better understand the second. The atrocities of the B.O.J. thuggery were not so great, so few people complained. There was no reason for the P.N.P. to make any comment. What was

then clearly a spontaneous act of suffering socialists, was quietly ignored. The effects of the first reign of terror were not lost on the perpetrators of the second. They clearly saw how they could enrich themselves and they planned for it, hence the level of organisation, which is baffling the Professor.

Dr. Stone's effort to taint the J.L.P. with violence was futile. It is an established fact that both parties from time-to-time deal in violence. What is also clear to most Jamaicans is that the P.N.P. by nature is far more violent. It was not the J.L.P. supporters who mobbed the same Dr. Stone in Rae Town. It was not J.L.P. supporters who mauled John Hearne at a party conference. J.L.P. supporters do not begrudge successful people.

During the 1980 election campaign it was not the J.L.P. that tried to smear the character of the then leader of the opposition Mr. Seaga, by a campaign strategy which included violence against its own supporters in an effort to blame the other side.

Jamaicans still remember the Brigadista Programme and view it with suspicion. Remember that the files of the programme had to be destroyed by the P.N.P. after the change in government. One can't help believing that Brigidistas were indeed sent to Cuba on a crash course in the use of M16 and AK47 rifles, as stated in "The Road Not Taken."

In order to compare the character of the supporters of both the P.N.P. and J.L.P. let's compare the behaviour of both supporters in similar situations. In 1979, J.L.P. supporters staged island wide roadblocks. Truckloads of marl and sand along with the immobilisation of trucks and other vehicles were used to a great extent to effect the blockades. Burning tyres, old cars and garbage were not used. The then government, the P.N.P., responded by sending out mobile brigades which were in effect

armed thugs, who cleared the roadblocks and dispersed people manning them. When it was over it was notable that there was no destruction of the roadways.

In 1984, the P.N.P. staged island-wide roadblocks. The nastiness and destruction was pronounced. Old cars, burning tyres, garbage and broken bottles were the order of the day. There was talk of blowing up bridges, there was the cutting down of key utility poles. The response of the government of the J.L.P. was to allow the demonstration to run its

course. It continued for two days. Then an appeal was made for a return to normality and the security forces, not mobile brigades, were used to enforce this request. To this day the destruction of the roadways in some areas is still in evidence as a testimony to the character of P.N.P. supporters. This, Carl Stone cannot deny.

I am etc.,
D. FRANCIS.

4 Meadowland Drive,
Kgn 19.
March 18, 1986.

Laying the Blame

THE EDITOR, Sir:

Anyone who was hurt, frightened or robbed by the ruffian element in the P.N.P. march last Monday must feel insulted by Carl Stone's clumsy attempt to lay the blame at other people's doors. The victims have my sympathy and the P.N.P. owe them a sincere apology and adequate compensation for loss or injury.

Dr. Stone, and Dr. Robertson of the P.N.P., use the time of occurrence and the distance from the main body of the march as factors explaining why the offences could not have been committed by P.N.P. hooligans. They should consider these points:

- (i) the rear of the march would be the natural place for robbery assault and violence to be done. There the stragglers and innocent bystanders are easy prey and the police, a safe distance away.
- (ii) the ruffian element in these marches adopt an irregular pattern of movement and might appear to bystanders to be coming from all points of the compass.
- (iii) no group unconnected to the P.N.P. would dare approach within hailing distance of the P.N.P. march for fear of attack by the P.N.P. hooligans and pursuit by the police as soon as an alarm was raised.
- (iv) the language of the ruffians is consistent with them being asso-

ciated with the P.N.P. "Is Socialism time", "see a Labourite deh".

The last comment explains why people were attacked without robbery being the motive.

The assertion that the J.L.P. fomented violence to embarrass the P.N.P. in 1970's is without foundation but let us pass on to some questions.

Where were Dr. McNeil and Mr. Rattray when they were set upon? In the body of the march or in the rear? From whom did Carl get his information? Did he question that lady who was attacked on Kingsway or

the man that ran to her rescue? Did he question the staff of Devon House or just the friendly comrades in the march?

As someone who used to believe in Carl's objectivity, I am forced to begin to reassess him. He told *Flair* magazine not long ago that he is not given to the cocktail circuit or to public appearances, but he was guest speaker at the launching of Socialist International's book on the world debt crisis, in the company of Michael Manley and the other comrades. He was guest speaker at a meeting of the Nannyville Community Council on the 9th of February held by the Easton Douglas the PNP caretaker for the area.

Partisan politics, I fear has begun to colour his journalism.

I am, etc.,
ORVILLE BROWN

18a Belmont Road
Kingston 5.
March 17, 1986

/12828

CSO: 3298/399

JAMAICA

COLUMNIST ASSESSES PNP, WONDERS 'WHERE ARE THE RADICALS'

Kingston THE SUNDAY GLEANER in English 23 Mar 86 p 12

[Article by Franklin McKnight]

[Text]

The People's National Party (PNP) is now selling itself as a clean, moderate party, the conscience of the nation; and as the country's salvation from Mr. Seaga and his Government. The party is issuing a flood of news releases condemning this or that the Government does and demanding one action or the other.

Its increasing acceptability across the country rests not so much in what it is saying it will do if it forms the next government, but in the fact that the present JLP administration is hurting so many people and carrying on as if it cares nothing at all. The PNP weeps with the people, sings their song and places itself firmly in the camp of the poor.

The PNP is also presenting to the country an acceptable face, putting up front at its Peoples' Forums and on its platforms men, considered to belong to the moderate faction of the party, who are considered to subscribe to the two-party system of government which the country is willing to criticise but zealous to hold on to. When you go to PNP parties or press conferences the question that springs to mind right away are: Where have all the radicals gone? Where have all those committed to what Dr. Duncan calls a transformation of the party gone? They are still in the party!

It seems to me to be time that the country takes a look at the Party which, barring a miracle, should sweep the Local Government elections later this year. The PNP stands a good chance of becoming the Government next time the General Elections are held.

On Cuba

The PNP's position on Cuba is still, to me, unclear. Party spokesmen continue to say little about Cuba except that there is a principled relationship with a sister Caribbean country. Foreign journalists of the opinion that Mr. Manley could soon be in charge of the country have been asking him and the PNP about Cuba. I gather that such questions have been asked most recently by a Puerto Rican journalist because of intelligence reports that executive members of the PNP have clandestine connections with communists in the region.

Though the Party issues releases on almost everything it scarcely mentions when its representatives are going to meetings of communist parties abroad.

There have also been published allegations of the involvement of several Caribbean opposition political parties, including the PNP, with the Libyans who have been accused of spreading terrorism. PNP General Secretary Paul Robertson has denied dealing with the Libyans on terrorism or anybody advocating terrorism.

Resignation

The PNP sent representatives O.D. Ramtallie and Dudley Thompson to the Congress of the Communist Party of Cuba February 5 to 7. It did not make this visit public. After the Congress one of the representatives went on to Nicaragua for a meeting of the Central American and Caribbean Leftists. There was no release on this. Now the argument here is not that there is anything wrong in the PNP associating with or even giving support to leftists and communists. If the PNP wishes to keep its contacts with the leftists and use them later on so be it. But the people who look to the party have the right to know and it is the responsibility of the party to let them know.

It is concerns about what the party will do when it comes to power that appears to have provoked the resignation of Mr. Francis Tulloch, a member of the National Executive Council (NEC) as PNP Constituency Representative in St. James, but not from the party.

'Transformists'

Tulloch's long letter of resignation at the end of January and the reaction of the party are instructive. Tulloch argues that there were fundamental differences in the party with some of the "transformists" not accepting the basic principles of the PNP's stated policies, which they believe are out of joint with the mood of the country and the need for transformation of the society. The "reformists" want things to remain and be followed as set out by "The Book." Tulloch fears that whether the party wins or loses, the transformists would be able to apply pressure to the leadership, and this could cause the opening of the rift which is now hidden.

Mr. Tulloch argued, "The public must conclude that fundamental decisions must be taken by the party about where we are going and how

we are going to get there...I have been agonising whether or not I can, with credibility, tell a potential voter that the policy (of the Party) is what we say it is.

Emotional outburst

"From my analysis and examination I have decided that there are too many areas of doubt and uncertainty to do this credibly." So Mr. Tulloch resigned as Constituency Representative but remained a member of the Party. How could Mr. Tulloch harbour such doubts, arguing that he had sought clarifications without success, yet stress that he wanted to remain in the same Party? If his conscience was not clear on asking people to support the Party how could he remain in it?

The PNP subsequently censured Mr. Tulloch and accepted his resignation. The executive moreover described Mr. Tulloch's letter as an emotional outburst and "without credibility." But Mr. Tulloch's questions have not been answered about the differences in the party and his suggestions that there were contrasting views held by members of the Party about the way forward.

The concerns raised by Mr. Tulloch arose essentially out of an interview in this newspaper with former General Secretary and PNP Minister Dr. D.K. Duncan, published last May. Dr. Duncan in the interview accused the party of trying to be all things to all men. He described himself as a Revolutionary Democrat which he defined as "somebody who is committed to a democratic framework but sees the need for a revolutionary change, as distinct from a social democrat who may still feel the need for change, is committed to democracy but attempts to bring change through mild reforms." Dr. Duncan was frank.

There are others in the party who have expressed their sympathy with his way of thinking. The party agonised about what action to take against him. It took six months before deciding to censure him which is just like saying "Naughty, naughty!"

Dr. Duncan remains on the NEC the highest decision making body after the Party Conference. There is nothing to suggest he has changed his views. There is a core group that holds the views Dr. Duncan does. They are not the ones speaking for the Party. But they are important to it. Let those who will walk with the PNP and with it know who is inside of it. After Dr. Duncan and Mr. Tulloch we can't claim ignorance.

JPRS-LAM-86-039
30 April 1986

JAMAICA

POLITICAL FALLOUT FROM TAX POLICIES HURTING JLP

Kingston THE DAILY GLEANER in English 26 Mar 86 p 8

[Article by Carl Stone]

[Excerpts]

THIS column salutes the six JLP back-benchers who voted against the government's tax measure designed to raise new wharfage rates to finance port development.

It was a rare exercise of independence of spirit on a sensitive policy issue on which many Jamaicans have strong feelings.

It has become standard practice in this country for utility companies, statutory bodies and enterprises (which charge a fee for a service) to try to raise capital by hiking revenue and imposing higher costs on the consumer. The result is the overburdening of the consumer with excessive rates and revenue charges with dire consequences for the cost of living.

Nobody ever takes the trouble to count the cost on the consumer when you add up all of these revenue increases raised to finance capital for which other sources of capital financing ought to be used. The Port Authority is making money and there is absolutely no reason why equity sources of capital financing can't be tapped to cover development funds needed.

But our government has got accustomed to simply picking the pocket of consumers who grumble and get bitter but never take the trouble to publicly raise hell about it.

It is reassuring that six JLP back benchers have found the spunk to take Mr. Seaga's policies to task on this issue.

Sceptical, angry

Underlying this dissenting vote also is the question of the tax burden.

The whole issue of the tax burden has become a sore point of anger, bitterness and anti-government sentiments all over the country. That fact has coloured much of the emotional support for the teachers, the junior doctors and the students in their quarrels with the government over money.

The basis of the political anger is that the government constantly has its hands in our pockets taking out more and more revenue like a greedy pickpocket while when it comes to paying out wage and salary increases, the government betrays a consistent penny-pinching.

The seemingly insatiable demand for more and more revenue has nothing to do with the loss of bauxite revenue as substantial extra revenues have been raised to help close that gap.

The increasing tax burden relates more directly to the huge debt payments which have escalated since 1980 because of the government's devaluation policy and the effort to bring down the budget deficit.

Underlying these two factors is a third which commits the government to killing us with higher and higher taxes. This is the diagnosis that to stabilise the value of the dollar and to suppress the demand for imports and foreign exchange we have to be taxed heavily.

The PNP has been justly criticised for permitting the budget deficit to get out of hand. Mr. Seaga's JLP is now guilty of a different type of excess, namely, the strangling of the country with an excessive tax burden. The overburdened tax load is a direct consequence of government's fiscal and monetary policies.

In the minds of many citizens this government is going to be remembered for the excessive tax load it

heaped on Jamaicans especially middle and lower middle income earners who are very vocal and articulate.

Not surprising

Whenever the opportunity arises to cast a vote for or against the JLP in the near future, the bitterness and anger that surrounds this tax burden issue is going to reflect itself in a vote of no confidence in the JLP and Mr. Seaga by many who have been stung by his tax whip.

It is therefore not surprising that this is the issue which triggered a back-benchers' revolt.

But we need more of these independent initiatives by MP's in the Lower House. But we will only get it when we change to a presidential system in which we elect a chief executive who will be free to choose his cabinet from any sources outside of parliament, thereby leaving parliamentarians free to fearlessly defend and represent the interest of their constituents.

/12828

CSO: 3298/399

JAMAICA

1985-86 SUPPLEMENTARY ESTIMATES SHOW CUTS IN SPENDING

Kingston THE DAILY GLEANER in English 21 Mar 86 pp 1, 3

[Text]

A \$28.6 MILLION CUT in Government's expenditure for 1985/86 is recorded in the Second Supplementary Estimates which were tabled in the House of Representatives yesterday.

The Estimates are to go to the Standing Finance Committee of the House on Tuesday and will be debated Wednesday, according to the Acting Leader of the House, the Hon. Bruce Golding, who tabled the Estimates in the absence of Prime Minister and Minister of Finance and Planning, the Rt. Hon. Edward Seaga.

The figures show net reductions of \$26,024,000 in the Recurrent Budget and \$2,651,000 in the Capital Budget. The net reduction of \$28,675,000 in the figures leaves budgetary expenditure for the financial year at a total of \$4,702,894,500 compared to the previous Estimates of \$4,731,569,500.

Included in the expenditures is an additional \$30,800,000 loan to the National Sugar Company (NSC) which includes \$27 million for paying off arrears in statutory deductions. The rest will cover redundancy payments to field and administrative employees of the St. Elizabeth Sugar Company (Holland) effective from May, 1985.

The Jamaica National Export Corporation (JNEC) has a drastic cut of \$28 million in its \$30 million marketing programme, which was intended to hire brokerage firms in the United States with the required experience to engage in finding buyers for

local products.

The Jamaica Tourist Board gets \$15 million for new advertising promotion and to meet the cost of exchange rate fluctuations.

Allocations to the Ministry of Public Utilities and Transport are reduced by over \$12 million in its Production and Utilization of Water and Air Transport Operation programmes.

Road Cuts

Over \$20 million is cut from the Ministry of Construction's road improvement programmes including \$12 million from the Jamaica/World Bank Projects, \$2.6 million from the Jamaica Highway Maintenance Project which is assisted by the Saudi Fund for Development and \$6½ million from the Kingston Metropolitan Region Urban Transportation Project.

Under the Multilateral/Bilateral Programmes in the Ministry of Finance and Planning, \$5 million is cut from the National Development Bank's Energy Credit Fund's project which involves, essentially, the private sector, to provide assistance in improving energy efficiency in various plants and alternative energy usage.

Another Multilateral/Bilateral Programme project under that Ministry, the Rural Farm Credit programme — a four-year project financed jointly by the International Fund for Agricultural Development, the Inter-American Bank and the Government of Jamaica and operated by the Agricultural Credit Bank to serve the needs of small hillside farmers involved in cultivating basic foods — is chopped by \$14.4 million, from \$25 million to \$10.6 million.

Under the Ministry of National Security and Justice, the Military Services' maintenance and operations budget is cut by \$7.2 million to \$97.9 million. This allocation covers the cost of materials and equipment required for JDF operations, repair of weapons, vehicles, ships, aircraft and other technical equipment, as well as the training and equipping of the Jamaica National Reserves.

The allocation for Major Police Equipment which provides for the purchase of vehicles and spares for the force is cut by \$2 million.

Under the Ministry of Social Security, the Poor Relief Services, which had been transferred from the Ministry of Local Government, and which provides assistance for wholly destitute persons or those who through mental and physical causes are unable to work, is cut by \$1.3 million to \$12.2 million.

The Primary and All-Age Schools programme was cut by \$6 million, and grants to the University of the West Indies by \$2.5 million to \$65 million. The School Feeding Programme is cut by \$3 million.

In the Ministry of Health, the joint Government of Jamaica/USAID Health Management Improvement Project, which involves manpower development, nutrition supply, health information and refurbishing of health facilities over a period of four years, is cut by \$5 million.

The Small Scale Mini-Hydro Project for the construction and extension of hydro-powered plants for the Jamaica Public Service Company is cut by \$6.2 million.

/12828

CSO: 3298/399

JAMAICA

BRIEFS

OIL-COST SAVINGS--Jamaica will save over a billion dollars this year as a result of the decline of oil prices on the world market, Economist and Managing Director of Security Brokers Limited, Mr. Mark Ricketts said on Friday night. Minister of Mining, Energy and Tourism Senator Hugh Hart had said on March 1 that falling oil prices would mean a \$220 million dollars savings for the country. The PNP on the other hand said it would mean savings of \$715 million. Mr. Ricketts noted that Senator Hart's analysis of the oil price savings was done in an accounting sense, while the PNP's accounting was done taking into account certain limited economic parameters. THE DAILY GLEANER of 22 March, page 2, reports: "A significant improvement to roads islandwide is expected in the next financial year out of savings from the fall in oil prices, Minister of Construction, the Hon. Bruce Golding said Tuesday." [Excerpts] [Kingston THE SUNDAY GLEANER in English 16 Mar 86 pp 1, 2]/12828

TEACHERS' WAGES--The teachers yesterday accepted the Government's final salary and fringe benefits offer, although some teachers felt that the final offer was unsatisfactory. The Jamaica Teachers' Association, in a reaction to the increase, described it as "a slight movement." The decision to accept the offer was made at a special Delegates' Conference at the Mico Teachers' College auditorium yesterday. Delegates and Council members voted to accept the offer after much debate by the teachers and members of the JTA Executive. [Excerpts] [Kingston THE SUNDAY GLEANER in English 16 Mar 86 pp 1,2]/12828

CSO: 3298/399

BRIEFS

SOVIET SCHOLARSHIPS--The Soviet Union and UNESCO have offered six 1-year scholarships to Panamanian students, who must fill out their applications before 15 April, have a knowledge of the Russian language, and present their high school diploma. The scholarships include studies in the following: printing machinery, materials, and procedures; radio communication, radio broadcasting, and television; automatic systems for handling information; and cinematographic arts. The scholarship holders will receive 10 to 200 rubles per month; lodging in student homes, like the Soviet students; and free medical attention, as long as the student's medical record has been approved by UNESCO's medical service. [Text] [Panama City EL SIGLO in Spanish 4 Apr 86 p 6 PA] /9871

CSO: 3248/330

ST CHRISTOPHER AND NEVIS

LEADERS COZYING UP TO U.S. TERMED SELF-SERVING

Basseterre THE LABOUR SPOKESMAN in English 22 Feb 86 p 11

[Fitzroy Bryant column "Frankly Speaking": "Wolves in Sheep's Clothing"]

[Excerpt]

The article says that "the most bothersome five at present are the Phillipines, Pakistan, Israel, Ghana and Liberia" and I am in no position to argue with that assessment.

But I am of the view that, if the U.S.A. Government doesn't learn from its mistakes, it can create the very same dilemma for itself in the Caribbean.

Whether out of goodwill, for reasons of strategy, by simple carelessness, or otherwise, the U.S.A. must avoid the danger of siding with certain political leaders in the Caribbean who clearly have little use for democracy and democratic procedures.

And if it is not siding with them and backing up their dictatorial behaviour, it must be very careful to avoid "the appearance of evil".

Certain political leaders in the Caribbean, like Dr. Simmonds in St. Kitts and a few others whose names I won't mention - to avoid the charge that I am meddling in the internal affairs of other countries - don't have the slightest use for real democracy.

They pay lip service to the form, but they are totally hostile to the substance, of democratic government, genuine freedom for the people, and the true equality of all people - rich and poor, white and black.

The U.S.A. Government, as the defender of democracy not only in our hemisphere but throughout the world, must be careful what kind of support it gives to such wolves in sheep's clothing.

It should not permit its support, its strength, its dollars, its influence, to be used to buttress dictatorship and fascist behaviour in the Caribbean.

SMILING UP WITH MR. REAGAN

There is a kind of new game now being played by certain political leaders in the Caribbean. It is called "Smiling up with Mr. Reagan".

They are busy trying to convince the President of the U.S.A. and public opinion in the U.S.A. that they are friends of the U.S.A. and that the political parties and groupings which oppose them are therefore enemies of the U.S.A.

That is self-serving nonsense which should not fool either the leadership of the U.S.A. or public opinion in the U.S.A.

At the same time the political leaders I refer to, like Simmonds in St. Kitts, delight in taking photographs showing them smiling up with Mr. Reagan and other top U.S. officials.

"You see me here, boy. Next to Mr. Reagan. Reagan and me is friend, you know. The most powerful man in the world is me friend. See me here smiling up with Mr Reagan."

Meanwhile, underneath it all, they are oppressing poor people, urgently enriching themselves and setting up petty dictatorships.

/9274

CSO: 3298/401

ST CHRISTOPHER AND NEVIS

BRIEFS

SUGAR BOARD--It is hereby notified that as a consequence of the re-organisation of the Sugar Industry, and in accordance with the provisions of the St Kitts Sugar Manufacturing Corporation Act, 1976 (No 38 of 1976) as amended by Act No 11 of 1985, the following persons have been re-appointed as members of the Board of Directors of the St Kitts Sugar Manufacturing Corporation (SSMC) with effect from 8 March, 1986:--Hon. Michael O Powell--Chairman; Mr Suswin Mills--Deputy Chairman; Hon Tapley Seaton--Member; Mr W. A. Kelsick--Member; and Mr Cyril Sage--Member. In addition to the above appointments, the following persons have been appointed as new members of the Board of Directors with effect from 1 February, 1986, 1986 under the provisions of the St Kitts Sugar Manufacturing Corporation Act, 1976, as amended: Mr Warrington Grant and Mr Eugene G. Petty. This press release was issued by the Ministry of Agriculture, Lands, Housing and Development on February 24, 1986. [Text] [Basseterre THE LABOUR SPOKESMAN in English 1 Mar 86 pp 1, 12] /9274

ENVOY TO ROK, TAIWAN--Basseterre, 12 Apr (CANA--St Kitts and Nevis' non-resident ambassador to Taiwan and South Korea, Terrence Byron [press officer to Prime Minister Simmonds], yesterday presented his credentials to South Korean President Chun Doo Hwan, according to a government statement issued here. Byron arrived in South Korea at the weekend, following a one-week visit to Taiwan. Last Tuesday, he presented his letters of credence to Taiwanese President Chiang Ching-kuo. Byron is being accompanied by Women's Affairs Minister Constance Mitchum. They are due back home later this week. [Text] [Bridgetown CANA in English 1926 GMT 2 Apr 86 FL] /9274

CSO: 3298/401

JPRS-LAM-86-039
30 April 1986

SURINAME

BRIEFS

TRANSMISSION OF CABLE TV STATION HALTED--Commander Desi Bouterse last Sunday declared that the transmissions of the cable television station ATC were halted because the information which was presented to the public was not in accordance with the national goal. The transmissions of ATC, which were carried out by the Surinamese telecommunications company Telesur, was suspended some two weeks ago by the government. According to head of government Bouterse, the broadcasts must also not be in defiance of the law and with international regulations. Telesur and Surinamese television station (MCCS) are momentarily discussing this affair. ATC's broadcasts will be restarted depending on the results of these discussions which are carried on within the framework which is indicated by Commander Bouterse. [Text]
[Paramaribo International Service in English 1800 GMT 9 Apr 86] /9871

CSO: 3200/18

URUGUAY

SANGUINETTI ON POLITICAL ACCORD, ECONOMIC INTEGRATION

Buenos Aires ARGENTINE NEWS in English 15 Mar 86 pp 14-20

[Interview with President Julio Maria Sanguinetti by Elida Bustos, special correspondent to Montevideo, in Montevideo: "Sanguinetti Courts the Opposition"; date not given]

[Text] One year after taking office following free elections, Uruguayan President Julio Maria Sanguinetti is proposing a "political accord," to opposition parties, and is even willing to give up a few cabinet ministries.

Sanguinetti, who led the Colorado Party to electoral victory, thinks that the present situation in Uruguay--after 12 years of de facto regimes--needs a government with a "solid congressional majority backing."

Sanguinetti touches on these and other topics during an interview of over an hour with ARGENTINE NEWS' special correspondent in his office of the Libertad Building, new seat of the Uruguayan government in Montevideo.

The Uruguayan president says he is satisfied with the results of his "gradualist" policy approach in the struggle against inflation.

He says that unemployment dropped during his first year in office because of development in the services sector and in construction, and adds that the administration is targetting reactivation of the manufacturing industry this year.

Sanguinetti stresses that Uruguayan leadership should focus discussion on ways to attack real, everyday problems affecting the country, rather than debating "national models."

He sustains that the "national model" is already defined in the constitution, which is liberal-democratic, and by the results of an election where the party that received the most votes--the Colorado Party--offered the electorate a social-democratic proposal.

President Sanguinetti urges greater economic efficiency from his countrymen and points out that, more than its foreign debt, Latin America's most serious problem is the international market panorama.

The Uruguayan head of state repeated his decision not to try the leaders of the military regime, because that is how the transition to a democratic government was negotiated. "May no one feel that they have been marginalized by democracy, nor that certain groups have been pressured for political responsibilities in the past," he says.

Admitting this may be an unpopular stance, Sanguinetti says this and other seemingly unpopular ideas were part of the platform on which he was elected president.

Sanguinetti also tells ARGENTINE NEWS he is very pessimistic about the chances of the Tupamaros becoming part of the political mainstream: "I believe that neither their proposals nor their past will allow them to gain even a minimum level of acceptance among the people," he says.

The Tupamaros, Sanguinetti affirms, "even though they haven't theoretically renounced violent means, in practical terms they seem to have done so."

Following is the complete text of the interview:

ARGENTINE NEWS: Why did you propose a political accord with the opposition in Uruguay?

Julio Maria Sanguinetti: The elections in Uruguay gave the Colorado party a victory with 42 percent of the votes, followed by the National party with 35 percent, the Frente Amplio with 21 percent and the Civic Union with 3 percent. Because Uruguay has a system of proportional representation, this means that government has not achieved a parliamentary majority with which it can govern comfortably. This requires the government to establish accords and to find common ground to try and ensure governability of the country. During our first year in office we have had permanent dialogue with the opposition sectors, which has allowed us to normalize the country's institutional life without any major problems. But at the end of this first year, we would like to deepen this relationship because we believe it would be useful for the country if there were a formal agreement between the parties that would extend even to the make-up of the cabinet, and would consequently give the government a more solid majority in Congress. We already made this proposal once, before our government assumed office, but at that time we did not achieve a full accord. We think that given the experience of a year in office, it is time to try again.

A.N.: Does this have anything to do with the call for a truce your government made last October?

Sanguinetti: No, this is not a call for a truce. We say that given the situation the country is in, it would be beneficial to show a solid majority backing the government because this is the best thing for the strengthening of democratic institutions. Second, this will also be the best thing for the development of economic policy. Third, this is going to have an important social impact because the whole country will be grateful to see democratic political parties working with an attitude of cooperation rather than confrontation.

A.N.: How can you implement this accord that you are proposing? By giving some ministries to the opposition, as you have said?

Sanguinetti: Today we are sharing the directorates of the state enterprises, which is important, although not novel. In Uruguay there has always been co-participation. What is novel, on the other hand, is that even the minority, such as the Frente Amplio, is represented in these enterprises. For example, in the Bank of the Republic of Uruguay, which is the most important in the country, the president is a member of the Civic Union, which is the smallest party, and on the board of directors there are two members of the Colorado Party, one from the National Party, and one from the Frente Amplio.

A.N.: Is it working?

Sanguinetti: I would say so. And I think this should also be reflected in the cabinet, which is, shall we say, more political. We'll see what we can do, but the point of the accord is not to just distribute positions. The purpose of the accord is that we understand together what our program objectives are so that we can march together. Naturally, we have different programs and visions. There is a reason why we are different parties, and why, moreover, we made different proposals in our electoral campaigns. But what I say is that this is not the time to discuss models for the country, because the country's models are already resolved. Our constitution is liberal-democratic, so we are not going to discuss whether we should have a Marxist or liberal society. That has been resolved by the constitution, and it has not been changed. In second place, the general model should be that of the party that the majority of the people voted for. Therefore the model should reflect our basic social-democratic orientation. Given this context, I would say that it is absurd and useless to discuss ideological models. What this means then is that within the ideological models defined by the constitution on the one hand, and the electorate on the other, we should agree on concrete measures that deal with the real and specific problems of the country. Naturally, it is easier for us to agree with the other traditional party, for we have similar visions. It is more difficult for us to agree with the Frente Amplio because it has a heavy ingredient of Marxist thought that is different from our visions of the economy. Nevertheless, there is no reason for us not to coincide in a program to produce wool, for example. What this means is that if we agree that it is a priority for our country to produce more wool, why can't we come to an agreement on a program of fiscal measures and credits or on technical extension services that allow us to produce more wool? So let's not discuss models for the country, because then we will never agree. Rather, within already chosen models, let's discuss specific issues on which we can agree to contribute to national development.

A.N.: Could you say that government refinancing of debtor enterprises forms part of the accord?

Sanguinetti: Well, the refinancing issue is not part of the current situation; it has already been resolved. It is not an issue of the accord, but a law that was approved by Parliament. The refinancing law had the support of the Colorado and National parties, but not of the Frente Amplio, or at least

in general, and now the law has been regulated by the executive. What is being implemented now is a refinancing of those real sectors of the economy--agriculture and industry--that are deeply indebted. This is a very important measure for a part of the economy that has suffered extraordinarily, especially since 1982 when the so-called "tablita"--the crawling peg system of exchange rate adjustments that has been used in Uruguay, Argentina and Chile--was eliminated. This resulted in a tremendous recession in all of the real sectors of the economy. Well, the refinancing law decompresses the situation; that is, it provides an escape route from all of that debt hanging on from the past. I wouldn't say that it is a massive liquidation of debts, but a refinancing mechanism that gives most producers some breathing space and allows them to make plans for the future.

A.N.: During the first year of your government the unemployment rate, traditionally high in your country, has dropped considerably. Where has this excess labor gone to?

Sanguinetti: The unemployment rate has dropped fundamentally due to the development of the tertiary sector of the economy, or services, and some in construction. I think the situation in the manufacturing sector will improve this year, although it has not experienced a sufficient reactivation.

A.N.: Nevertheless, isn't it true that Uruguay has a serious problem because it has as many inactive as active workers?

Sanguinetti: This is an endemic problem in our country that has gotten worse over the years. Uruguay has 700,000 active and 700,000 inactive workers. This has produced a critical situation in the social security system, to the point that 50 percent of it is financed by resources from the contributions of active workers, and 50 percent from general taxes. Even so, one can say that during this year the system's liabilities have not increased, and what has been paid out has been above this year's inflation rate, so that there has been some recuperation, albeit limited.

A.N.: What formula do you think Uruguay needs to eliminate inflation and begin to grow?

Sanguinetti: I say that if a system of eliminating inflation without the risk of recession and stimulating the economy without the risk of inflation had been discovered, we wouldn't have economists, because all the fundamental problems would be resolved. All reactivation necessarily implies an inflationary stimulus and all stabilization programs suppose some sort of recessive risk. I would say that both things are inevitable, and that different strategies can value one element more than another, depending on the particular economic context. When Argentina applied the Austral Plan, for example, the main objective was to break inflationary expectations. It broke them, but this also supposed a recessive risk. Now it has to begin a different stage. We, in turn, did not opt for shock treatment. We took over the government with an annual inflation rate of 100 percent that was accelerating progressively, to the point that everyone was estimating that 1985's inflation would reach 110 or 120 percent. Our program aimed for an estimated

inflation of 75 percent, and we finished the year with 82 percent. It is not an ideal performance, but we believe it has been acceptable within our gradualist approach. Now we are working to achieve a reduction in the inflation rate. Uruguay has experienced shock treatment before. In 1969, for example, we applied shock treatment with a general freeze. I was Industry Minister at the time, so in some sense I have lived what Argentina is going through now.

A.N.: What happened with that freeze? How was that experience?

Sanguinetti: At that moment in time it worked well, without a doubt. It achieved results analogous with those of the Austral Plan in Argentina in terms of stopping inflation.

A.N.: And was there growth after the freeze?

Sanguinetti: Yes, there was growth afterwards. What happens is that it is very difficult to organize the way out of a freeze. Here we created a Commission of Productivity, Prices and Income (COPRIN) that was responsible for bringing us out of the freeze. COPRIN fixed salary and price levels in each economic activity. It was a very important, difficult experience, but it worked.

A.N.: Moving to another theme that we have in common, what kind of popular reaction do you think there would have been in Uruguay had the military leaders of the former government been tried as they were in Argentina?

Sanguinetti: They are different situations, and consequently comparisons don't apply. The Uruguayan and Argentine Armed Forces have different traditions and distinct experiences and different historical situations. The only thing that is comparable is that they have both handed power over to governments freely elected by the people, and this creates a mechanism of transition. I point out that the situation in Argentina is not comparable with any others because for some reason in Argentina there was a trial while there weren't trials in Brazil, Uruguay, Bolivia, Peru, Ecuador, Colombia or Venezuela. This shows the peculiarity of the Argentine phenomenon, and therefore I don't think it is logical to make comparisons.

A.N.: You have said that you didn't want the Armed Forces to return to the barracks beaten or humiliated because that would signify taking revenge. What are the real limits of this statement?

Sanguinetti: The point is that the return to democracy and the electoral solution were agreed upon with the Armed Forces. That is to say, it did not result from a brusque fall from power of the Armed Forces as happened in other countries, like in Argentina after the Malvinas War. In Uruguay this was the result of a political accord in which the Armed Forces--which at the time constituted a de facto political power--and the country's political parties discussed a way out, and this resulted in a political accord. That accord was signed by the Colorado Party, the Frente Amplio and the Armed Forces. It was not joined by the National Party, however. That was a

conventional, consensual exit from military government and gave it its particular profile. We feel then that it is not possible to have an attitude of revenge because it can't be that the Armed Forces were good the day they made the pact with us, and bad the day we took power. That is why I say this is a Uruguayan situation that is not transferable to other experiences, as the Brazilian case is not applicable to the Argentine, or vice-versa.

A.N.: Will Uruguay keep the same number of men in the Armed and Security Forces, or will it reduce them?

Sanguinetti: We have been saying that we can't make a drastic cut in the Armed Forces because that would result in a critical problem. In a country with a very high unemployment rate of around 15 percent, to lay off a mass of young kids who know how to use arms and who would feel the frustration of knowing that for them, democracy means not having a job, would create a new critical problem. They are not responsible for what the generals that overthrew the government 12 years ago did to the country. Both soldiers and policemen are simple workers; they are simple men of society who could just as well have taken another job. Normally they are the people with fewer options because they are workers who have not had the possibility of access to culture. We have therefore opted for a gradual reduction, which is reflected in the budget. Some people criticize us because they would have liked to see a more drastic cut in Armed Forces, but we are calm about our decision. We believe we have made the maximum reduction compatible with the fundamental needs of our country, which is to achieve stability, establish a climate of tranquility, and make sure no one feels excluded. May no one feel that they have been marginalized by democracy, nor that some groups have been pressured for political responsibilities in the past.

A.N.: Moving to the other end of the political spectrum, in the recent convention held by the Tupamaros, the group decided to become a political party, through which it seems determined to fight peacefully. Do you think that the Tupamaros can become a structured party with electoral possibilities?

Sanguinetti: I don't think so. The Tupamaro movement never had an important base of popular support. It was an elite movement that never achieved sympathy from nor penetration in the popular sectors of the country. Today, after its disastrous and ill-fated guerrilla experience they are initiating a political experience with the support of democratic liberties. It seems healthy to me that they do it because even when they theoretically haven't renounced violent means, in practical terms they seem to have. Personally, I think that neither their proposals nor their past will allow them to gain even a minimum level of acceptance in the country.

A.N.: But Tupamaros were thinking of joining Frente Amplio.

Sanguinetti: Yes, they have proposed joining and it is a problem for Frente Amplio.

A.N.: There are reports that Uruguayan and Argentine intelligence services are or were recently working together trying to detect possible subversive groups. What can you say about this?

Sanguinetti: One of Uruguay's customs is not to speak about its intelligence service activities.

A.N.: Mr. President, do you think countries like Argentina and Uruguay can go out and conquer markets like the United States and the European Economic Community?

Sanguinetti: The first lesson of recent history is the need for integration, not only what that implies inwardly, but also outwardly. The fight to change current conditions of international trade can obviously only be waged successfully to the extent efforts are coordinated. To me this seems more essential and more important every day. The experience of the foreign debt issue has taught us that. On that score slow but sound advances have been made on the basis of serious, responsible and coordinated action. Personally I think we have to be more concerned about the issue of international trade than the foreign debt. I have always thought that if international trade were expanding and the markets of industrialized countries more open, then the debt would be a relatively small question. And on the other hand, if the current market tendency persists, the debt will be absolutely insurmountable.

A.N.: Besides agreements reached with Argentina, has Uruguay made any progress toward trade integration with other Latin American countries?

Sanguinetti: We've expanded our trade with Brazil this past year through various commercial agreements.

A.N.: Have you also had technological and scientific exchanges?

Sanguinetti: Yes, but they're still very modest and should be much broader. We've gone a long way in commercial relations with Brazil and I believe this year we'll advance even further. There are natural economically complementary factors which have to favor that tendency. With Argentina, endeavors for integration have been growing steadily. Unfortunately, 1985 was a bad year from the trade point of view.

A.N.: What about political and social integration in the region?

Sanguinetti: Well, if a person cannot get along with his neighbors, he will hardly get along with those who live farther away. I call one's neighbor the acid test for integration, because it's the person you naturally have problems with for he is the closest and you have to get along living side by side. Uruguay can't have any difficulties, conflicts or critical situations with Ecuador because it's very far away, on the other side of the Andean Mountains. With them the only problem is to create a more favorable integration. However there are always going to be problems with Argentina and Brazil, difficulties which being neighbors generate. But the proximity is also what creates--for cultural, physical, geographic, and, in our case historical

reasons--the need or the possibility for much more effective integration. I think we have come along tremendously in this. First of all, in creating a climate. Secondly in the political sphere, because it is most obvious that Uruguay, Argentina and Brazil's international policy decisions are becoming more and more the same. Thirdly, through physical integration, because there are common undertakings and other joint endeavors under study, such as the Colonia-Buenos Aires bridge. Fourthly, in the area of trade, where we have taken steps forward at least in designing the framework in which to proceed. Fifthly, as regards migration and interpersonal contact, trying to make communication, travel and paper work easier. And finally in tourism, which is very important, not only as an economic activity, but also as an integrating factor which truly allows us to build the human and social basis on which integration can become a reality. The fact that Uruguayans go to Argentina for ten months of the year and Argentines come here two months is, seen from this perspective, complementary.

A.N.: On another area of mutual interest, how do you think the educational system of our countries can be updated or changed to bring our people out of what might best be described as stagnation?

Sanguinetti: During other phases of our history, our peoples were in the vanguard of change, but they were later hit by the sickness of conformity. The relative abundance of our countries in specific moments of their history created among the people the false sensation that we were condemned to prosperity. And we started going backwards in our ideas of political organization. Now the problem is to recapture that through pedagogic action. The one who has to be the first teacher here is the government. We must teach the people the way things are, show them the crude reality of things, try to explain in simple, non-sophisticated terms the economic situation so that they come to understand that economic inefficiency inevitably leads in the short or medium term to social inefficiency. This means greater social advances and developments are impossible without greater economic efficiency. Furthermore, we must realize that today we are entirely on our own, left to our own efforts, without the possibility of taking advantage of an international climate which once spurred our prosperity, especially wars. Just look at my election campaign. I said we have to come to an agreement with the military, not hang them; should not break with the International Monetary Fund, but reach a settlement. I said instead of nationalizing banks we should have mixed state-private banks; instead of an agrarian reform we should develop the farming sector with modern technology where property becomes of secondary importance. These were all apparently unpopular truths, but I won a majority, which shows that the people have a very significant degree of common sense. We have to draw on those reserves. Our people are not generally very sensible, yet if in the past they showed an adequate attitude toward change, there is no reason they should not have such an attitude today. It's not possible that our grandfathers, who lived in much more adverse conditions and with much less access to things as we have now, had a broader attitude to change than we do today.

A.N.: Finally, Mr. President, a future-oriented question. What projects does Uruguay have regarding the Antarctic, in its capacity as a member state of the Antarctic Treaty?

Sanguinetti: We give great importance to the fact that Uruguay has become a member state of the Antarctic Treaty. We now have a seasonal base on the Antarctic, but we are studying the possibility of making it permanent for carrying out a series of diverse projects: biological, climatic, mineral, fishing, etc. It is still a very modest effort, but nonetheless very important. We hope to continue expanding those programs.

[Boxed item, p 18]

Argentine-Uruguayan Accords

President Julio Maria Sanguinetti met President Raul Alfonsin in Buenos Aires on February 23. The diversity and number of the agreements signed on that occasion demonstrate the level of integration between Argentina and Uruguay:

- 1) Implementation of a common border system, cutting down red tape for tourists and promoting more fluid movement between the countries while simplifying current procedures.
- 2) Possibility of using Uruguayan ports as outlets for Argentine products.
- 3) Feasibility studies for a Buenos Aires-Colonia bridge and to dredge the River Plate deeper near Martin Garcia island.
- 4) Improvement and better development of the telephone communication system.
- 5) Extension of oil pipe-lines between Argentina and Uruguay.
- 6) Agriculture and farming cooperation.
- 7) Promotion of an emergency food-aid program in which all Latin American countries will be involved.
- 8) Others closely related to integration.

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